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PART II—Section 1

प्राधिकार से प्रकाशित

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इस भाग में भिन्न पृष्ठ संख्या वाली जाती है जिससे कि यह अलग संकलन
 के रूप में रखा जा सके।

Separate paging is given to this Part in order that it may be filed
 as a separate compilation

MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (Legislative Department)

New Delhi, the 11th May, 1984/Vaisakha 21, 1906 (Saka)

The following Act of Parliament received the assent of the President on the 11th May, 1984, and is hereby published for general information:—

THE FINANCE ACT, 1984

NO. 21 OF 1984

[11th May, 1984.]

An Act to give effect to the financial proposals of the Central Government for the financial year 1984-85.

Be it enacted by Parliament in the Thirty-fifth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. (1) This Act may be called the Finance Act, 1984.

(2) Save as otherwise provided in this Act, sections 2 to 34 and section 54 shall be deemed to have come into force on the 1st day of April, 1984.

Short
title and
com-
ment.

CHAPTER II

RATES OF INCOME-TAX

2. (1) Subject to the provisions of sub-sections (2) and (3), for the assessment year commencing on the 1st day of April, 1984, income-tax shall be charged at the rates specified in Part I of the First Schedule and shall be increased,—

Income-
tax

(a) in the cases to which Paragraphs A, B, C and D of that Part apply, by a surcharge for purposes of the Union; and

(b) in the cases to which Paragraph E of that Part applies, by a surcharge,

calculated in each case in the manner provided therein:

Provided that where an assessee, being a company, has made, during the financial year commencing on the 1st day of April, 1983, any deposit with the Industrial Development Bank of India established under the Industrial Development Bank of India Act, 1964 under the Companies Deposits (Surcharge on Income-tax) Scheme, 1983, then, the surcharge on income-tax payable by the company,—

18 of 1984.

(a) in a case where the amount of the deposit so made is equal to, or exceeds, one-half of the amount of surcharge on income-tax payable by it, shall be reduced by one-half of the amount of surcharge payable by it; and

(b) in a case where the amount of the deposit so made falls short of one-half of the amount of surcharge on income-tax payable by it, shall be reduced by the amount of the deposit.

(2) In the cases to which Sub-Paragraph I or Sub-Paragraph II of Paragraph A of Part I of the First Schedule applies, were the assessee has, in the previous year, any net agricultural income exceeding six hundred rupees, in addition to total income, and the total income exceeds,—

(i) in a case to which the said Sub-Paragraph I applies, fifteen thousand rupees, and

(ii) in a case to which the said Sub-Paragraph II applies, twelve thousand rupees,

then,—

(a) the net agricultural income shall be taken into account, in the manner provided in clause (b) [that is to say, as if the net agricultural income were comprised in the total income after,—

(i) in a case to which the said Sub-Paragraph I applies, the first fifteen thousand rupees, and

(ii) in a case to which the said Sub-Paragraph II applies, the first eight thousand rupees,

of the total income but without being liable to tax], only for the purpose of charging income-tax in respect of the total income; and

(b) the income-tax chargeable shall be calculated as follows:—

(i) the total income and the net agricultural income shall be aggregated and the amount of income-tax shall be determined in respect of the aggregate income at the rates specified in Sub-Paragraph I or, as the case may be, Sub-Paragraph II of the said Paragraph A, as if such aggregate income were the total income:

Provided that in a case referred to in the said Sub-Paragraph II, for the purpose of determining the amount of income-tax in accordance with this sub-clause, the provisions of clause (ii) of

the proviso below Sub-Paragraph II and the provisions relating to surcharge on income-tax in the said Sub-Paragraph II shall not apply;

(ii) the net agricultural income shall be increased,--

(A) in a case to which the said Sub-Paragraph I applies, by a sum of fifteen thousand rupees; and

(B) in a case to which the said Sub-Paragraph II applies, by a sum of eight thousand rupees,

and the amount of income-tax shall be determined in respect of the net agricultural income as so increased at the rates specified in Sub-Paragraph I or, as the case may be, Sub-Paragraph II of the said Paragraph A, as if the net agricultural income as so increased were the total income:

Provided that in a case referred to in the said Sub-Paragraph II, for the purposes of determining the amount of income-tax in accordance with this sub-clause, the provisions of clause (ii) of the proviso below the said Sub-Paragraph II and the provisions relating to surcharge on income-tax in the said Sub-Paragraph II shall not apply;

(iii) the amount of income-tax determined in accordance with sub-clause (i) shall be reduced by the amount of income-tax determined in accordance with sub-clause (ii):

Provided that in a case referred to in the said Sub-Paragraph II, where the sum so arrived at exceeds sixty per cent. of the amount by which the total income exceeds twelve thousand rupees, the excess shall be disregarded;

(iv) the amount of income-tax determined in accordance with sub-clause (iii) shall be increased by a surcharge for purposes of the Union calculated at the rate of twelve and a half per cent. of such income-tax and the sum so arrived at shall be the income-tax in respect of the total income.

(3) In cases to which the provisions of Chapter XII or Chapter XIIA or section 164 or section 164A or section 167A of the Income-tax Act, 1961 (hereinafter referred to as the Income-tax Act) apply, the tax chargeable shall be determined as provided in that Chapter or that section, and with reference to the rates imposed by sub-section (1) or the rates as specified in that Chapter or section, as the case may be.

(4) In cases in which tax has to be deducted under sections 193, 194, 194A, 194B, 194BB, 194D and 195 of the Income-tax Act at the rates in force, the deduction shall be made at the rates specified in Part II of the First Schedule.

(5) Subject to the provisions of sub-section (6), in cases in which income-tax has to be calculated under the first proviso to sub-section (5) of section 132 of the Income-tax Act or charged under sub-section (4) of section 172 or sub-section (2) of section 174 or section 175 or sub-section (2) of section 176 of the said Act or deducted under section 192 of the said Act from income chargeable under the head "Salaries" or deducted under sub-section (9) of section 80E of the said Act from any

payment referred to in the said sub-section (9) or in which the "advance tax" payable under Chapter XVII-C of the said Act has to be computed, at the rate or rates in force, such income-tax or, as the case may be, "advance tax" shall be so calculated, charged, deducted or computed at the rate or rates specified in Part III of the First Schedule:

Provided that in cases to which the provisions of Chapter XII or Chapter XIIA or sub-section (1A) of section 161 or section 164 or section 164A or section 167A of the Income-tax Act apply, "advance tax" shall be computed with reference to the rates imposed by this sub-section or the rates as specified in that Chapter or section, as the case may be:

Provided further that an assessee, being a company, may, in lieu of payment of the amount of surcharge on income-tax at the rate specified in Paragraph E of Part III of the First Schedule, make a deposit under the scheme framed under sub-section (7) before the last instalment of "advance tax" is due in its case, and where it does so, the surcharge on income-tax payable by the company,—

(i) in a case where the amount of the deposit so made is equal to or exceeds the amount of surcharge on income-tax payable by it, shall be *nil*; and

(ii) in a case where the amount of the deposit so made falls short of the amount of surcharge on income-tax payable by it, shall be reduced by the amount of the deposit.

(6) In the cases to which Sub-Paragraph I or Sub-Paragraph II of Paragraph A of Part III of the First Schedule applies, where the assessee has, in the previous year or, if by virtue of any provision of the Income-tax Act, income-tax is to be charged in respect of the income of a period other than the previous year, in such other period, any net agricultural income exceeding six hundred rupees, in addition to total income and the total income exceeds,—

(i) in a case to which the said Sub-Paragraph I applies, fifteen thousand rupees, and

(ii) in a case to which the said Sub-Paragraph II applies, twelve thousand rupees,

then, in calculating income-tax under the first proviso to sub-section (5) of section 132 of the Income-tax Act or in charging income-tax under sub-section (2) of section 174 or section 175 or sub-section (2) of section 176 of the said Act or in computing the "advance tax" payable under Chapter XVII-C of the said Act, at the rate or rates in force,—

(a) the net agricultural income shall be taken into account, in the manner provided in clause (b) [that is to say, as if the net agricultural income were comprised in the total income after,—

(i) in a case to which the said Sub-Paragraph I applies, the first fifteen thousand rupees, and

(ii) in a case to which the said Sub-Paragraph II applies, the first eight thousand rupees,

of the total income but without being liable to tax], only for the purpose of calculating, charging or computing such income-tax or, as the case may be, "advance tax" in respect of the total income; and

(b) such income-tax or, as the case may be, "advance tax" shall be so calculated, charged or computed as follows:—

(i) the total income and the net agricultural income shall be aggregated and the amount of income-tax or "advance tax" shall be determined in respect of the aggregate income at the rates specified in Sub-Paragraph I or, as the case may be, Sub-Paragraph II of the said Paragraph A, as if such aggregate income were the total income:

Provided that in a case referred to in the said Sub-Paragraph II, for the purposes of determining the amount of income-tax or "advance tax" in accordance with this sub-clause, the provisions of clause (ii) of the proviso below the said Sub-Paragraph II and the provisions relating to surcharge on income-tax in the said Sub-Paragraph II shall not apply;

(ii) the net agricultural income shall be increased,—

(A) in a case to which the said Sub-Paragraph I applies, by a sum of fifteen thousand rupees; and

(B) in a case to which the said Sub-Paragraph II applies, by a sum of eight thousand rupees,

and the amount of income-tax or "advance tax" shall be determined in respect of the net agricultural income as so increased at the rates specified in the said Sub-Paragraph I or, as the case may be, the said Sub-Paragraph II, as if the net agricultural income as so increased were the total income:

Provided that in a case referred to in the said Sub-Paragraph II, for the purposes of determining the amount of income-tax or "advance tax" in accordance with this sub-clause, the provisions of clause (ii) of the proviso below the said Sub-Paragraph II and the provisions relating to surcharge on income-tax in the said Sub-Paragraph II shall not apply;

(iii) the amount of income-tax or "advance tax" determined in accordance with sub-clause (i) shall be reduced by the amount of income-tax or, as the case may be, "advance tax" determined in accordance with sub-clause (ii):

Provided that in a case referred to in the said Sub-Paragraph II, where the sum so arrived at exceeds sixty per cent. of the amount by which the total income exceeds twelve thousand rupees, the excess shall be disregarded;

(iv) the amount of income-tax or "advance tax" determined in accordance with sub-clause (iii) shall be increased by a surcharge for purposes of the Union calculated at the rate of twelve and a half per cent. of such income-tax or, as the case may be, "advance tax" and the sum so arrived at shall be the income-tax or, as the case may be, "advance tax" in respect of the total income.

(7) Where an assessee, being a company, makes, during the financial year commencing on the 1st day of April, 1984, any deposit with the Industrial Development Bank of India established under the Industrial

Development Bank of India Act, 1964 under any such scheme as the Central Government may, by notification in the Official Gazette, frame in this behalf, then the surcharge on income-tax payable by the company for the assessment year commencing on the 1st day of April, 1985,—

18 of 1964.

- (i) in a case where the amount of the deposit so made is equal to or exceeds the amount of surcharge on income-tax payable by it, shall be *nil*; and
- (ii) in a case where the amount of the deposit so made falls short of the amount of surcharge on income-tax payable by it, shall be reduced by the amount of the deposit.

(8) For the purposes of this section and the First Schedule,—

(a) “company in which the public are substantially interested” means a company which is such a company as is referred to in section 108 of the Income-tax Act;

(b) “domestic company” means an Indian company, or any other company which, in respect of its income liable to income-tax under the Income-tax Act for the assessment year commencing on the 1st day of April, 1984, has made the prescribed arrangements for the declaration and payment within India of the dividends (including dividends on preference shares) payable out of such income in accordance with the provisions of section 194 of that Act;

(c) “industrial company” means a company which is mainly engaged in the business of generation or distribution of electricity or any other form of power or in the carriage, by road or inland waterways, of passengers or goods or in the construction of ships or in the execution of projects or in the manufacture or processing of goods or in mining.

Explanation.—For the purposes of this clause,—

(i) a company shall be deemed to be mainly engaged in the business of generation or distribution of electricity or any other form of power or in the carriage, by road or inland waterways, of passengers or goods or in the construction of ships or in the execution of projects or in the manufacture or processing of goods or in mining, if the income attributable to any one or more of the aforesaid activities included in its total income of the previous year (as computed before making any deduction under Chapter VIA of the Income-tax Act) is not less than fifty-one per cent. of such total income;

(ii) “project” means a project for the construction of a building, road, dam, bridge or other structure or assembly or installation of any machinery or plant;

(d) “insurance commission” means any remuneration or reward, whether by way of commission or otherwise, for soliciting or procuring insurance business (including business relating to the continuance, renewal or revival of policies of insurance);

(e) “net agricultural income”, in relation to a person, means the total amount of agricultural income, from whatever source

derived, of that person computed in accordance with the rules contained in Part IV of the First Schedule;

(f) "tax-free security" means any security of the Central Government issued or declared to be income-tax free, or any security of a State Government issued income-tax free, the income-tax whereon is payable by the State Government;

(g) all other words and expressions used in this section or in the First Schedule but not defined in this sub-section and defined in the Income-tax Act shall have the meanings respectively assigned to them in that Act.

CHAPTER III

DIRECT TAXES

Income-tax

3. In section 10 of the Income-tax Act, in clause (30), after the words "tea bushes", the words "or for rejuvenation or consolidation of areas used for cultivation of tea" shall be inserted with effect from the 1st day of April, 1985. Amendment of section 16.

4. In section 11 of the Income-tax Act, in sub-section (5), after clause (x) and the *Explanation* thereto, the following clause shall be inserted with effect from the 1st day of April, 1985, namely:— Amendment of section 11.

"(xi) deposits with the Industrial Development Bank of India established under the Industrial Development Bank of India Act, 1964.".

18 of 1984.

5. In section 33B of the Income-tax Act, before the *Explanation*, the following proviso shall be inserted with effect from the 1st day of April, 1985, namely:— Amendment of section 33B.

"Provided that no deduction under this section shall be allowed in relation to the assessment year commencing on the 1st day of April, 1985 or any subsequent assessment year".

6. In section 35 of the Income-tax Act,—

(a) In sub-section (2), in clause (ta),—

(i) before the *Explanation*, the following proviso shall be inserted, namely:—

"Provided that no deduction shall be admissible under this clause in respect of any expenditure incurred on the acquisition of any land, whether the land is acquired as such or as part of any property, after the 29th day of February, 1984";

(ii) the *Explanation* shall be numbered as *Explanation 1* and after *Explanation 1* as so numbered, the following *Explanation* shall be inserted, namely:—

Amendment of section 35.

Explanation 2.—For the purposes of this clause,—

(a) “land” includes any interest in land; and

(b) the acquisition of any land shall be deemed to have been made by the assessee on the date on which the instrument of transfer of such land to him has been registered under the Registration Act, 1908, or where he has taken or retained the possession of such land or any part thereof in part performance of a contract of the nature referred to in section 53A of the Transfer of Property Act, 1882, the date on which he has so taken or retained possession of such land or part;;

16 of 1908.

(b) in sub-section (2A), for the words “Where the assessee pays any sum”, the words, figures and letters “Where, before the 1st day of March, 1984, the assessee pays any sum” shall be substituted;

(c) in sub-section (2B), in clause (a), for the words “Where an assessee has incurred any expenditure”, the words, figures and letters “Where, before the 1st day of March, 1984, an assessee has incurred any expenditure” shall be substituted.

4 of 1882.

7. In section 35C of the Income-tax Act, in sub-section (1), in clause (a), after the words, figures and letters “after the 29th day of February, 1968”, the words, figures and letters “but before the 1st day of March, 1984” shall be inserted.

8. In section 36 of the Income-tax Act, in sub-section (1), in clause (iiA), after the words “payment of any salary”, the words, figures and letters “for any period of employment before the 1st day of March, 1984” shall be inserted.

9. In section 40 of the Income-tax Act, in clause (c), with effect from the 1st day of April, 1985,—

(a) in sub-clause (A), for the words, “seventy-two thousand rupees”, the words “one hundred and two thousand rupees” shall be substituted;

(b) in sub-clause (B), for the words “six thousand rupees”, the words “eight thousand five hundred rupees” shall be substituted.

10. In section 40A of the Income-tax Act,—

(a) in sub-section (5), with effect from the 1st day of April, 1985,—

(i) in clause (a), in the first proviso, for the words “seventy-two thousand rupees”, the words “one hundred and two thousand rupees” shall be substituted;

(2) in clause (c), in sub-clause (i),—

(i) for the words “five thousand rupees”, the words “seven thousand five hundred rupees” shall be substituted;

(ii) for the words “sixty thousand rupees”, the words “ninety thousand rupees” shall be substituted;

(iii) after the proviso, the following proviso shall be inserted, namely:—

‘Provided further that in relation to any month or part thereof comprised in any such previous year as is relevant to the assessment year commencing on the 1st day of April, 1985, or any subsequent assessment year,

Amend-
ment of
section
35C.

Amend-
ment of
section
36.

Amend-
ment of
section
40.

Amend-
ment of
section
40A.

the reference to "five thousand rupees" in the preceding proviso shall be construed as a reference to "seven thousand five hundred rupees";

(b) in sub-section (6), for the words "sixty thousand rupees", the words "ninety thousand rupees" shall be substituted with effect from the 1st day of April, 1985;

(c) after sub-section (8), the following sub-sections shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1980, namely:—

"(9) No deduction shall be allowed in respect of any sum paid by the assessee as an employer towards the setting up or formation of, or as contribution to, any fund, trust, company, association of persons, body of individuals, society registered under the Societies Registration Act, 1860 or other institution, for any purpose, except where such sum is so paid, for the purposes and to the extent provided by or under clause (iv) or clause (v) of sub-section (1) of section 36 or, as required by or under any other law for the time being in force.

21 of 1860.

(10) Notwithstanding anything contained in sub-section (9), where the Income-tax Officer is satisfied that the fund, trust, company, association of persons, body of individuals, society or other institution referred to in that sub-section has, before the 1st day of March, 1984, bona fide laid out or expended any expenditure (not being in the nature of capital expenditure) wholly and exclusively for the welfare of the employees of the assessee referred to in sub-section (9) out of the sum referred to in that sub-section, the amount of such expenditure shall, in case no deduction has been allowed to the assessee in respect of such sum and subject to the other provisions of this Act, be deducted in computing the income referred to in section 28 of the assessee of the previous year in which such expenditure is so laid out or expended, as if such expenditure had been laid out or expended by the assessee.

(11) Where the assessee has, before the 1st day of March, 1984, paid any sum to any fund, trust, company, association of persons, body of individuals, society or other institution referred to in sub-section (9), then, notwithstanding anything contained in any other law or in any instrument, he shall be entitled—

(i) to claim that so much of the amount paid by him as has not been laid out or expended by such fund, trust, company, association of persons, body of individuals, society or other institution (such amount being hereinafter referred to as the unutilised amount) be repaid to him, and where any claim is so made, the unutilised amount shall be repaid, as soon as may be, to him;

(ii) to claim that any asset, being land, building, machinery, plant or furniture acquired or constructed by the fund, trust, company, association of persons, body of individuals, society or other institution out of the sum paid by

the assessee, be transferred to him, and where any claim is so made, such asset shall be transferred, as soon as may be, to him.”.

Insertion
of new
section
44AB.

11. After section 44AA of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 1985, namely:—

Audit of
accounts
of certain
persons
carrying
on
business
or pro-
fession.

‘44AB. Every person,—

(a) carrying on business shall, if his total sales, turnover or gross receipts, as the case may be, in business exceed or exceeds forty lakh rupees in any previous year or years relevant to the assessment year commencing on the 1st day of April, 1985 or any subsequent assessment year; or

(b) carrying on profession shall, if his gross receipts in profession exceed ten lakh rupees in any previous year or years relevant to the assessment year commencing on the 1st day of April, 1985 or any subsequent assessment year,

get his accounts of such previous year or years audited by an accountant before the specified date and obtain before that date the report of such audit in the prescribed form duly signed and verified by such accountant and setting forth such particulars as may be prescribed:

Provided that in a case where such person is required by or under any other law to get his accounts audited by an accountant, it shall be sufficient compliance with the provisions of this section if such person gets the accounts of such business or profession audited under such law before the specified date and obtains before that date the report of the audit as required under such other law and a further report in the form prescribed under this section.

Explanation.—For the purposes of this section,—

(i) “accountant” shall have the same meaning as in the *Explanation* below sub-section (2) of section 288;

(ii) “specified date”, in relation to the accounts of the previous year or years relevant to an assessment year, means the date of the expiry of four months from the end of the previous year or, where there is more than one previous year, from the end of the previous year which expired last before the commencement of the assessment year, or the 30th day of June of the assessment year, whichever is later.’.

Amend-
ment of
section
80CC.

12. In section 80CC of the Income-tax Act, in sub-section (3), for clause (c), the following clause shall be substituted, namely:—

“(c) the shares forming part of the issue are offered for subscription to the public and such offer for subscription is made by the company before the 1st day of April, 1987;”.

Omission
of section
80D.

13. Section 80D of the Income-tax Act shall be omitted with effect from the 1st day of April, 1985.

14. In section 80E of the Income-tax Act, in sub-section (1), after the words "he has paid", the words, figures and letters "before the 1st day of March, 1984," shall be inserted.

Amend-
ment of
section
80E.

15. In section 80L of the Income-tax Act, in sub-section (1), with effect from the 1st day of April, 1985,—

Amend-
ment of
section
80L.

(a) after clause (v), the following clause shall be inserted, namely:—

"(iia) interest on deposits under such National Deposit Scheme as may be framed by the Central Government and notified by it in this behalf in the Official Gazette;"

(b) in clause (iii), for the words "under any scheme", the words "under any other scheme" shall be substituted;

(c) the following provisos shall be inserted at the end, namely:—

"Provided that where the gross total income of the assessee includes any income by way of interest on any deposits referred to in clause (iia) or income in respect of units referred to in clause (v), there shall be allowed in computing the total income of the assessee a further deduction of an amount equal to so much of such income as has not been allowed by way of deduction under the foregoing provisions of this sub-section; so, however, that the amount of such further deduction shall not exceed three thousand rupees:

Provided further that where any income by way of interest on any deposits referred to in clause (iia) remains unallowed after the deduction under the foregoing provisions of this section, there shall be allowed in computing the total income of the assessee, an additional deduction of an amount equal to so much of such income as has remained unallowed; so, however, that the amount of such additional deduction shall not exceed two thousand rupees."

16. In section 80M of the Income-tax Act in sub-section (1), with effect from the 1st day of April, 1985—

Amend-
ment of
section
80M.

(a) for the words "an amount equal to—" the words "an amount equal to sixty per cent of such income" shall be substituted;

(b) clauses (a) and (b) shall be omitted.

17. In section 80N of the Income-tax Act, for the words "a deduction of the whole of the income", the words "a deduction of an amount equal to fifty per cent of the income" shall be substituted with effect from the 1st day of April, 1985.

Amend-
ment of
section
80N.

18. In section 80M of the Income-tax Act, for the words "a deduction of the whole of the income", the words "a deduction of an amount equal to fifty per cent of the income" shall be substituted with effect from the 1st day of April, 1985.

Amend-
ment of
section
80O.

19. Section 80U of the Income-tax Act shall be numbered as sub-section (1) with effect from the 1st day of April, 1985, and—

Amend-
ment of
section
80U.

(a) in sub-section (1) as so numbered, in clause (ii), after the words and brackets "a permanent physical disability (other than blindness)", the words "being a permanent physical disability specified in the rules made in this behalf by the Board, and" shall be inserted with effect from the 1st day of April, 1985;

(b) after sub-section (1) as so numbered, the following sub-section shall be inserted with effect from the 1st day of April, 1985, namely:—

"(2) The Board shall, in making any rules for specifying any disability for the purposes of clause (ii) of sub-section (1), have regard to the nature of such disability and the effect which such disability is likely to have on the capacity of a person subject thereto, or suffering therefrom, to engage in a gainful employment or occupation.".

Amend-
ment of
section
161.

20. In section 161 of the Income-tax Act, after sub-section (1), the following sub-section shall be inserted with effect from the 1st day of April, 1985, namely:—

'(1A) Notwithstanding anything contained in sub-section (1), where any income in respect of which the person mentioned in clause (iv) of sub-section (1) of section 160 is liable as representative assessee consists of, or includes, profits and gains of business, tax shall be charged on the whole of the income in respect of which such person is so liable at the maximum marginal rate:

Provided that the provisions of this sub-section shall not apply where such profits and gains are receivable under a trust declared by any person by will exclusively for the benefit of any relative dependent on him for support and maintenance, and such trust is the only trust so declared by him.

Explanation.—For the purposes of this sub-section, "maximum marginal rate" shall have the meaning assigned to it in *Explanation 2* below sub-section (3) of section 164.'

Amend-
ment of
section
164.

21. In section 164 of the Income-tax Act, with effect from the 1st day of April, 1985,—

(a) in sub-section (1), after the proviso, the following proviso shall be inserted, namely:—

"Provided further that where any income in respect of which the person mentioned in clause (iv) of sub-section (1) of section 160 is liable as representative assessee consists of, or includes, profits and gains of business, the preceding proviso shall apply only if such profits and gains are receivable under a trust declared by any person by will exclusively for the benefit of any relative dependent on him for support and maintenance, and such trust is the only trust so declared by him.";

(b) to sub-section (2), the following proviso shall be added, namely:—

"Provided that in a case where the whole or any part of the relevant income is not exempt under section 11 or section 12 by virtue of the provisions contained in clause (c) or clause (d) of sub-section (1) of section 13, tax shall be charged on the relevant income or part of relevant income at the maximum marginal rate.";

(c) in sub-section (3), after the proviso and before *Explanation 1*, the following provisos shall be inserted, namely:—

"Provided further that where the relevant income consists of, or includes, profits and gains of business, the preceding proviso shall apply only if the income is receivable under a trust declared by any person by will exclusively for the benefit of any relative dependent on him for support and maintenance, and such trust is the only trust so declared by him:

Provided also that in a case where the whole or any part of the relevant income is not exempt under section 11 or section 12 by virtue of the provisions contained in clause (c) or clause (d) of sub-section (1) of section 13, tax shall be charged on the relevant income or part of relevant income at the maximum marginal rate.".

22. In section 193 of the Income-tax Act, in the proviso, after clause (iv), the following clause shall be inserted with effect from the 1st day of June, 1984, namely:—

Amend-
ment of
section
193.

"(v) any interest payable to an individual, who is resident in India, on debentures issued by a company in which the public are substantially interested, being debentures listed on a recognised stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956, and any rules made thereunder, if—

42 of 1956.

(a) the interest is paid by the company by an account payee cheque; and

(b) the amount of such interest or, as the case may be, the aggregate of the amounts of such interest paid or likely to be paid during the financial year by the company to such individual does not exceed one thousand rupees.".

23. In section 194 of the Income-tax Act, for the first proviso, the following proviso shall be substituted with effect from the 1st day of June, 1984, namely:—

Amend-
ment of
section
194.

"Provided that no such deduction shall be made in the case of a shareholder, being an individual, who is resident in India, of a company in which the public are substantially interested, if—

(a) the dividend is paid by such company by an account payee cheque; and

(b) the amount of such dividend or, as the case may be, the aggregate of the amounts of such dividend distributed or paid or likely to be distributed or paid during the financial year by the company to the shareholder does not exceed one thousand rupees.".

Amend-
ment of
section
252.

24. In section 252 of the Income-tax Act,—

(a) after sub-section (4), the following sub-section shall be inserted, namely:—

“(4A) The Central Government may appoint one of the Vice-Presidents of the Appellate Tribunal to be the Senior Vice-President thereof.”;

(b) in sub-section (5), for the words “A Vice-President”, the words “The Senior Vice-President or a Vice-President” shall be substituted.

Amend-
ment of
section
269C.

25. In section 269C of the Income-tax Act, in sub-section (1), for the words “twenty-five thousand rupees”, the words “one hundred thousand rupees” shall be substituted with effect from the 1st day of June, 1984.

Amend-
ment of
section
269F.

26. In section 269F of the Income-tax Act, in sub-section (6), in clause (a), for the words “twenty-five thousand rupees”, the words “one hundred thousand rupees” shall be substituted with effect from the 1st day of June, 1984.

Amend-
ment of
section
269P.

27. In section 269P of the Income-tax Act, in sub-section (1), in the proviso, for the words “ten thousand rupees”, the words “fifty thousand rupees” shall be substituted with effect from the 1st day of June, 1984.

Insertion
of new
section
269SS.

28. In Chapter XXB of the Income-tax Act,—

(a) in the heading, for the words “MODE OF REPAYMENT”, the words “MODE OF ACCEPTANCE, PAYMENT OR REPAYMENT” shall be substituted;

(b) before section 269T, the following section shall be inserted, namely:—

Mode of
taking or
accepting
certain
loans
and
deposits.

269SS. No person shall, after the 30th day of June, 1984, take or accept from any other person (hereafter in this section referred to as the depositor) any loan or deposit otherwise than by an account payee cheque or account payee bank draft if,—

(a) the amount of such loan or deposit or the aggregate amount of such loan and deposit; or

(b) on the date of taking or accepting such loan or deposit, any loan or deposit taken or accepted earlier by such person from the depositor is remaining unpaid (whether repayment has fallen due or not), the amount or the aggregate amount remaining unpaid; or

(c) the amount or the aggregate amount referred to in clause (a) together with the amount or the aggregate amount referred to in clause (b),

is ten thousand rupees or more:

Provided that the provisions of this section shall not apply to any loan or deposit taken or accepted from, or any loan or deposit taken or accepted by,—

(a) Government;

(b) any banking company, post office savings bank or co-operative bank;

(c) any corporation established by a Central, State or Provincial Act;

(d) any Government company as defined in section 617 of the Companies Act, 1956;

(e) such other institution, association or body or class of institutions, associations or bodies which the Central Government may, for reasons to be recorded in writing, notify in this behalf in the Official Gazette.

Explanation.—For the purposes of this section,—

(i) “banking company” shall have the meaning assigned to it in clause (a) of the *Explanation* to sub-section (8) of section 40A;

(ii) “co-operative bank” shall have the meaning assigned to it in Part V of the Banking Regulation Act, 1949;

(iii) “loan or deposit” means loan or deposit of money.

29. In section 269T of the Income-tax Act, in the *Explanation*, after clause (i), the following clause shall be inserted, namely:—

10 of 1949. (ia) “co-operative bank” shall have the meaning assigned to it in Part V of the Banking Regulation Act, 1949;.

30. In the Income-tax Act, after section 271A, the following section shall be inserted with effect from the 1st day of April, 1985, namely:—

“271B. If any person fails, without reasonable cause, to get his accounts audited in respect of any previous year or years relevant to an assessment year or obtain a report of such audit as required under section 44AB, the Income-tax Officer may direct that such person shall pay, by way of penalty, a sum equal to one-half per cent. of the total sales, turnover or gross receipts, as the case may be, in business, or of the gross receipts in profession, in such previous year or years or a sum of one hundred thousand rupees, whichever is less.”.

31. In the Income-tax Act, after section 276D, the following section shall be inserted, namely:—

Amendment of section 269T.

Insertion of new section 271B.

Failure to get accounts audited.

Insertion of new section 276DD.

Failure
to
comply
with the
provision,
of section
269SS.

Amend-
ment of
section
281A.

"276DD. If a person, without reasonable cause or excuse, takes or accepts any loan or deposit in contravention of the provisions of section 269SS, he shall be punishable with imprisonment for a term which may extend to two years and shall also be liable to fine equal to the amount of such loan or deposit."

32. In section 281A of the Income-tax Act,—

(a) in sub-section (1), for the portion beginning with the words "the real owner of such property unless,—" and ending with the words "to the Income-tax Officer", the following shall be substituted, namely:—

"the real owner of such property unless notice in the prescribed form and containing the prescribed particulars in respect of the property has been given by the claimant within a period of one year from the date of acquisition of the property to the Commissioner";

(b) after sub-section (1), the following sub-sections shall be inserted, namely:—

"(1A) Where any such property is acquired by the claimant before the 1st day of March, 1984, the provisions of sub-section (1) shall be deemed to have been fulfilled if notice in the prescribed form and containing the prescribed particulars in respect of the property is given by the claimant, within a period of one year from the said date, to the Commissioner.

(1B) Notwithstanding anything contained in sub-section (1) or sub-section (1A), in relation to any suit relating to any immovable property of a value not exceeding fifty thousand rupees, the provisions of sub-section (1) or, as the case may be, sub-section (1A), shall be deemed to have been fulfilled if, at any time before the suit, notice in the prescribed form and containing the prescribed particulars in respect of the property has been given by the claimant to the Commissioner.";

(c) for sub-section (2), the following sub-section shall be substituted, namely:—

"(2) The Commissioner shall, on an application made in the prescribed manner, by the claimant or any person acting on his behalf or claiming under him, and on payment of the prescribed fees, issue, for the purposes of a suit referred to in sub-section (1), a certified copy of any notice given by the claimant under sub-section (1) or sub-section (1A) or sub-section (1B), within fourteen days from the date of receipt of the application.".

33. The following amendments (being amendments of a consequential nature) shall be made in the Income-tax Act with effect from the 1st day of April, 1985, namely:—

Consequen-
tial
amend-
ments
to the
Income-
tax Act

(a) in section 246, in sub-section (2), after clause (g), the following clause shall be inserted, namely:—

“(gg) an order imposing a penalty under section 271B;”;

(b) in the Ninth Schedule, for the brackets, words, figures and letters “[See section 32(1) (vi) and section 80M(1) (a) (i)]”, the brackets, words and figures “[See section 32(1) (vi)]” shall be substituted.

Wealth-tax

34. In the Wealth-tax Act, 1957, with effect from the 1st day of April, 1985,—

Amend-
ment of
Act 27 of
1957.

(a) in section 5,—

(i) in sub-section (1),—

(1) in clause (iv), in the proviso, for the words “one hundred thousand rupees”, at both the places where they occur, the words “two hundred thousand rupees” shall be substituted;

(2) after clause (xxv), the following clause shall be inserted, namely:—

“(xxva) any deposits under such National Deposit Scheme as may be framed by the Central Government and notified by it in this behalf in the Official Gazette;”;

(3) after clause (xxvii), the following clause shall be inserted, namely:—

“(xxviiia) any deposits with the Industrial Development Bank of India established under the Industrial Development Bank of India Act, 1964;”;

(ii) in sub-section (1A),—

(1) for the brackets and figures “(xxvi), (xxvii),”, the brackets, figures and letters “(xxva), (xxvi), (xxvii), (xxviiia),” shall be substituted;

(2) for the words “one hundred and sixty-five thousand rupees”, at both the places where they occur, the words “two hundred and sixty-five thousand rupees” shall be substituted;

(3) after the proviso, the following provisos shall be inserted, namely:—

“Provided further that where the assets of the assessee include any assets, being units referred to in clause (xxv) or any deposits referred to in clause (xxva), wealth-tax shall not be payable by the assessee in respect of, and there shall not be included in the net wealth of the assessee, so much of the value of such assets as has not been excluded from the net wealth of the assessee under this sub-section; so, however, that the value of the assets excluded under this proviso shall not exceed thirty-five thousand rupees:

Provided also that where the value of any assets, being deposits referred to in clause (xxva), has not been excluded from the net wealth of the assessee under the foregoing provisions of this sub-section, so much of the value of such assets as has not been so excluded shall be excluded from the net wealth of the assessee; so, however, that the value of the assets so excluded under this proviso shall not exceed twenty-five thousand rupees.”;

(iii) in sub-section (3), for the brackets and figures “(xxvi), (xxvii),”, the brackets, figures and letters “(xxva), (xxvi), (xxvii), (xxviiia),” shall be substituted;

(b) in section 21A,—

(1) for the portion beginning with the brackets, figure and words “(i) any part of such property” and ending with the words “beneficial to the revenue:”, the following shall be substituted, namely:—

“(i) any part of such property or any income of such trust [whether derived from such property or from voluntary contributions referred to in sub-clause (iia) of clause (24) of section 2 of the Income-tax Act] is used or applied, directly or indirectly, for the benefit of any person referred to in sub-section (3) of section 13 of the Income-tax Act, or

(ii) any part of the income of the trust [whether derived from such property or from voluntary contributions referred to in sub-clause (iia) of clause (24) of section 2 of the Income-tax Act], being a trust created on or after the 1st day of April, 1962, enures, directly or indirectly, for the benefit of any person referred to in sub-section (3) of section 13 of the said Act, or

(iii) any funds of the trust are invested or deposited, or any shares in a company are held by the trust, in contravention of the provisions of clause (d) of sub-section (1) of section 13 of the Income-tax Act,

wealth-tax shall be leviable upon, and recoverable from, the trustee or manager (by whatever name called) in the like manner and to the same extent as if the property were held by an individual who is a citizen of India and resident in India for the purposes of this Act, but without excluding the value of any asset under sub-section (1) of section 5, and at the maximum marginal rate:”;

(2) after the second proviso, the following proviso shall be inserted, namely:—

‘Provided also that,—

(a) in the case of any association referred to in clause (21) of section 10 of the Income-tax Act,—

(i) the provisions of clause (i) and clause (ii) shall not apply; and

(ii) the other provisions of this section shall apply with the modifications that,—

(1) for the words, brackets, letter and figures "in contravention of the provisions of clause (d) of sub-section (1) of section 13 of the Income-tax Act", the words, brackets and figures "in contravention of the provisions contained in the proviso to clause (21) of section 10 of the Income-tax Act" had been substituted; and

(2) for the words "at the maximum marginal rate", the words and figures "at the rates specified in Part I of Schedule I in the case of an individual" had been substituted;

(b) in the case of any institution, fund or trust referred to in clause (22) or clause (22A) or clause (23B) or clause (23C) of section 10 of the Income-tax Act, the provisions of clauses (i) to (iii) shall not apply.;

(3) in the *Explanation*, after clause (a), the following clause shall be inserted, namely:—

'(aa) "maximum marginal rate" means the rate of wealth-tax applicable in relation to the highest slab of wealth in the case of an individual as specified in Part I of Schedule I.'

CHAPTER IV

INDIRECT TAXES

Customs

35. The Customs Tariff Act, 1975 (hereinafter referred to as the Customs Tariff Act), shall be amended in the manner specified in the Second Schedule.

Amend-
ment of
Act 51 of
1975.

52 of 1962

10 of 1897.

36. (1) In the case of goods mentioned in the First Schedule to the Customs Tariff Act, or in that Schedule, as amended from time to time, there shall be levied and collected as an auxiliary duty of customs an amount equal to fifty per cent. of the value of the goods as determined in accordance with the provisions of section 14 of the Customs Act, 1962 (hereinafter referred to as the Customs Act).

Auxiliary
duties of
customs.

(2) Sub-section (1) shall cease to have effect after the 31st day of March, 1988, except as respects things done or omitted to be done before such cesser; and section 6 of the General Clauses Act, 1897, shall apply upon such cesser as if the said sub-section had then been repealed by a Central Act.

(3) The auxiliary duties of customs referred to in sub-section (1) shall be in addition to any duties of customs chargeable on such goods under the Customs Act, or any other law for the time being in force.

(4) The provisions of the Customs Act and the rules and regulations made thereunder, including those relating to refunds and exemptions from duties, shall, as far as may be, apply in relation to the levy and collection of the auxiliary duties of customs leviable under this section in respect of any goods as they apply in relation to the levy and collec-

tion of the duties of customs on such goods under that Act or those rules and regulations, as the case may be.

Amend-
ment of
section 28.

37. In section 28 of the Customs Act, in sub-section (1), after the proviso, the following *Explanation* shall be inserted, namely:—

Explanation.—Where the service of the notice is stayed by an order of a Court, the period of such stay shall be excluded in computing the aforesaid period of one year or six months or five years, as the case may be.”.

Amend-
ment of
section 61.

38. In section 61 of the Customs Act, to sub-section (2), the following proviso shall be added, namely:—

“Provided that the Board may, if it considers it necessary so to do in the public interest, waive, by special order and under circumstances of an exceptional nature to be specified in such order, the whole or part of any interest payable under this sub-section in respect of any warehoused goods.”.

Amend-
ment of
section
129.

39. In section 129 of the Customs Act,—

(a) for sub-section (2), the following sub-sections shall be substituted, namely:—

“(2) A judicial member shall be a person who has for at least ten years held a judicial office in the territory of India or who has been a member of the Central Legal Service and has held a post in Grade I of that service or any equivalent or higher post for at least three years, or who has been an advocate for at least ten years.

Explanation.—For the purposes of this sub-section,—

(i) in computing the period during which a person has held judicial office in the territory of India, there shall be included any period, after he has held any judicial office, during which the person has been an advocate or has held the office of a member of a tribunal or any post, under the Union or a State, requiring special knowledge of law;

(ii) in computing the period during which a person has been an advocate, there shall be included any period during which the person has held a judicial office or the office of a member of a tribunal or any post, under the Union or a State, requiring special knowledge of law after he became an advocate.

(2A) A technical member shall be a person who has been a member of the Indian Customs and Central Excise Service, Group A, and has held the post of Collector of Customs or Central Excise or any equivalent or higher post for at least three years.”;

(b) after sub-section (4), the following sub-section shall be inserted, namely:—

“(4A) The Central Government may appoint one of the Vice-Presidents of the Appellate Tribunal to be the Senior Vice-President thereof.”;

(c) in sub-section (5), for the words "The Vice-President", the words "The Senior Vice-President or a Vice-President" shall be substituted.

40. In section 129A of the Customs Act,—

(a) in sub-section (1), in the proviso, for the words "Provided that", the following shall be substituted, namely:—

"Provided that no appeal shall lie to the Appellate Tribunal and the Appellate Tribunal shall not have jurisdiction to decide any appeal in respect of any order referred to in clause (b) if such order relates to,—

(a) any goods imported or exported as baggage;

(b) any goods loaded in a conveyance for importation into India, but which are not unloaded at their place of destination in India, or so much of the quantity of such goods as has not been unloaded at any such destination if goods unloaded at such destination are short of the quantity required to be unloaded at that destination;

(c) payment of drawback as provided in Chapter X, and the rules made thereunder:

Provided further that";

(b) after sub-section (1), the following sub-section shall be inserted, namely:—

"(1A) Every appeal against any order of the nature referred to in the first proviso to sub-section (1), which is pending immediately before the commencement of section 40 of the Finance Act, 1984, before the Appellate Tribunal and any matter arising out of or connected with such appeal and which is so pending shall stand transferred on such commencement to the Central Government and the Central Government shall deal with such appeal or matter under section 129DD as if such appeal or matter were an application or a matter arising out of an application made to it under that section".

41. In section 129C of the Customs Act, in sub-section (4), for the words "ten thousand rupees", the words "fifty thousand rupees" shall be substituted..

Amend-
ment of
section
129C.

42. In section 129D of the Customs Act, in sub-section (3), for the words "two years", the words "one year" shall be substituted.

Amend-
ment of
section
129D.

43. After section 129D of the Customs Act, the following section shall be inserted, namely:—

Insertion
of new
section
129DD.

'129DD. (1) The Central Government may, on the application of any person aggrieved by any order passed under section 128A, where the order is of the nature referred to in the first proviso to

Revision
by
Central
Govern-
ment.

sub-section (1) of section 129A, annul or modify such order.

Explanation.—For the purposes of this sub-section, “order passed under section 128A” includes an order passed under that section before the commencement of section 40 of the Finance Act, 1984, against which an appeal has not been preferred before such commencement and could have been, if the said section had not come into force, preferred after such commencement, to the Appellate Tribunal.

(2) An application under sub-section (1) shall be made within three months from the date of the communication to the applicant of the order against which the application is being made:

Provided that the Central Government may, if it is satisfied that the applicant was prevented by sufficient cause from presenting the application within the aforesaid period of three months, allow it to be presented within a further period of three months.

(3) An application under sub-section (1) shall be in such form and shall be verified in such manner as may be specified by rules made in this behalf and shall be accompanied by a fee of two hundred rupees.

(4) The Central Government may, of its own motion, annul or modify any order referred to in sub-section (1).

(5) No order enhancing any penalty or fine in lieu of confiscation or confiscating goods of greater value shall be passed under this section,—

(a) in any case in which an order passed under section 128A has enhanced any penalty or fine in lieu of confiscation or has confiscated goods of greater value, and

(b) in any other case, unless the person affected by the proposed order has been given notice to show cause against it within one year from the date of the order sought to be annulled or modified.

(6) Where the Central Government is of opinion that any duty of customs has not been levied or has been short-levied, no order levying or enhancing the duty shall be made under this section unless the person affected by the proposed order is given notice to show cause against it within the time limit specified in section 28.

Excise

Amend-
ment of
section 2.

44. In section 2 of the Central Excises and Salt Act, 1944 (hereinafter referred to as the Central Excises Act), in clause (f), after sub-clause (viii), the following sub-clause shall be inserted, namely:—

“(ix) in relation to artificial or synthetic resins and plastic materials, includes their conversion into moulding powders;”.

Amend-
ment of
section 3.

45. In section 3 of the Central Excises Act, in sub-section (1), in the proviso,—

(a) for the words “excisable goods which are produced or manufactured in a free trade zone and brought to any other place

in India shall be an amount equal to", the following shall be substituted, namely:—

"excisable goods which are produced or manufactured,—

(i) in a free trade zone and brought to any other place in India; or

(ii) by a hundred per cent, export-oriented undertaking and allowed to be sold in India,

shall be an amount equal to";

(b) for *Explanation 2*, the following *Explanation* shall be substituted, namely:—

'*Explanation 2*.—In this proviso,—

(i) "free trade zone" means the Kandla Free Trade Zone and the Santa Cruz Electronics Export Processing Zone and includes any other free trade zone which the Central Government may, by notification in the Official Gazette, specify in this behalf;

(ii) "hundred per cent. export-oriented undertaking" means an undertaking which has been approved as a hundred per cent. export-oriented undertaking by the Board appointed in this behalf by the Central Government in exercise of the powers conferred by section 14 of the Industries (Development and Regulation) Act, 1951, and the rules made under that Act'.

65 of 1951.

51 of 1975.

46. In sub-section (4) of section 4 of the Central Excises Act, in sub-clause (ii) of clause (d), in the *Explanation*, in clause (i), for the words "or reduction of duty of excise on such goods equal to, any duty of excise already paid", the words and figures "or reduction of duty of excise under such Act on such goods equal to, any duty of excise under such Act, or the additional duty under section 3 of the Customs Tariff Act, 1975, already paid" shall be substituted.

Amend-
ment of
section 4.

47. In section 35B of the Central Excises Act,—

(a) in sub-section (1), in the proviso, for the words "Provided that", the following shall be substituted, namely:—

Amend-
ment of
section
35B.

"Provided that no appeal shall lie to the Appellate Tribunal and the Appellate Tribunal shall not have jurisdiction to decide any appeal in respect of any order referred to in clause (b) if such order relates to,—

(a) a case of loss of goods, where the loss occurs in transit from a factory to a warehouse or to another factory, or from one warehouse to another, or during the course of processing of the goods in a warehouse or in storage, whether in a factory or in a warehouse;

(b) a rebate of duty of excise on goods exported to any country or territory outside India or on excisable materials used in the manufacture of goods which are exported to any country or territory outside India;

(c) goods exported outside India (except to Nepal or Bhutan) without payment of duty:

Provided further that";

(b) after sub-section (1), the following sub-section shall be inserted, namely:—

"(1A) Every appeal against any order of the nature referred to in the first proviso to sub-section (1), which is pending immediately before the commencement of section 47 of the Finance Act, 1984, before the Appellate Tribunal and any matter arising out of, or connected with, such appeal and which is so pending shall stand transferred on such commencement to the Central Government, and the Central Government shall deal with such appeal or matter under section 35EE as if such appeal or matter were an application or a matter arising out of an application made to it under that section."

Amend-
ment of
section
35D.

48. In section 35D of the Central Excises Act, in sub-section (3), for the words "ten thousand rupees", the words "fifty thousand rupees" shall be substituted.

Amend-
ment of
section
35E.

49. In section 35E of the Central Excises Act, in sub-section (3), for the words "two years", the words "one year" shall be substituted.

Insertion
of new
section
35EE.

50. After section 35E of the Central Excises Act, the following section shall be inserted, namely:—

Revision
by
Central
Govern-
ment.

'35EE' (1) The Central Government may, on the application of any person aggrieved by any order passed under section 35A, where the order is of the nature referred to in the first proviso to sub-section (1) of section 35B, annul or modify such order.

Explanation.—For the purposes of this sub-section, "order passed under section 35A" includes an order passed under that section before the commencement of section 47 of the Finance Act, 1984 against which an appeal has not been preferred before such commencement and could have been, if the said section had not come into force, preferred after such commencement, to the Appellate Tribunal.

(2) An application under sub-section (1) shall be made within three months from the date of the communication to the applicant of the order against which the application is being made:

Provided that the Central Government may, if it is satisfied that the applicant was prevented by sufficient cause from presenting the application within the aforesaid period of three months, allow it to be presented within a further period of three months.

(3) An application under sub-section (1) shall be in such form and shall be verified in such manner as may be specified by rules made in this behalf and shall be accompanied by a fee of two hundred rupees.

(4) The Central Government may, of its own motion, annul or modify any order referred to in sub-section (1).

(5) No order enhancing any penalty or fine in lieu of confiscation or confiscating goods of greater value shall be passed under this section,—

(a) in any case in which an order passed under section 35A has enhanced any penalty or fine in lieu of confiscation or has confiscated goods of greater value, and

(b) in any other case, unless the person affected by the proposed order has been given notice to show cause against it within one year from the date of the order sought to be annulled or modified.

(6) Where the Central Government is of opinion that any duty of excise has not been levied or has been short-levied, no order levying or enhancing the duty shall be made under this section unless the person affected by the proposed order is given notice to show cause against it within the time limit specified in section 11A.

51. The First Schedule to the Central Excises Act,—

(a) shall be amended in the manner specified in the Third Schedule; and

(b) shall, with effect from such date as the Central Government may, by notification in the Official Gazette, appoint, be also amended in the manner specified in the Fourth Schedule.

Amend-
ment of
First
Schedule.

52. (1) In the case of goods chargeable with a duty of excise under the Central Excises Act, as amended from time to time, read with any notification for the time being in force issued by the Central Government in relation to the duty so chargeable (not being a notification providing for any exemption for giving credit with respect to, or reduction of duty of excise under the said Act on such goods equal to, any duty of excise under the said Act, or the additional duty under section 3 of the Customs Tariff Act, already paid on the raw material or component parts used in the production or manufacture of such goods), there shall be levied and collected a special duty of excise equal to ten per cent. of the amount so chargeable on such goods.

Special
duties of
excise.

10 of 1897.

(2) Sub-section (1) shall cease to have effect after the 31st day of March, 1985, except as respects things done or omitted to be done before such cesser; and section 6 of the General Clauses Act, 1897, shall apply upon such cesser as if the said sub-section had then been repealed by a Central Act.

(3) The special duties of excise referred to in sub-section (1) shall be in addition to any duties of excise chargeable on such goods under the Central Excises Act, or any other law for the time being in force.

(4) The provisions of the Central Excises Act and the rules made thereunder, including those relating to refunds and exemptions from duties, shall, as far as may be, apply in relation to the levy and collection of the special duties of excise leviable under this section in respect of any goods as they apply in relation to the levy and collection of the duties of excise on such goods under that Act or those rules, as the case may be.

53. The Additional Duties of Excise (Goods of Special Importance) Act, 1957 (hereinafter referred to as the Additional Duties of Excise Act), shall be amended in the manner specified in the Fifth Schedule.

Amend-
ment of
Act 58 of
1957.

CHAPTER V

MISCELLANEOUS

Amend-
ment of
Act 52 of
1963.

54. In the Unit Trust of India Act, 1963, in sub-section (1) of section 32, with effect from the 1st day of April, 1985,—

(a) clause (b) and clause (ba) shall be omitted;
(b) in *Explanation I*,—

(i) in clause (a), for the words, brackets and letters "clauses (aa) and (b)", the word, brackets and letters "clause (aa)" shall be substituted;

(ii) in clause (b), for the words, brackets and letters "clauses (ba) and (bb)", the word, brackets and letters "clause (bb)" shall be substituted.

55. In the Gold (Control) Act, 1968,—

(a) in sub-section (2) of section 81B, for the words "ten thousand rupees", the words "fifty thousand rupees" shall be substituted;
(b) in sub-section (3) of section 82, for the words "two years", the words "one year" shall be substituted.

Amend-
ment of
Act 45 of
1968.

THE FIRST SCHEDULE

(See section 2)

PART I

INCOME-TAX AND SURCHARGE ON INCOME-TAX

Paragraph A

Sub-Paragraph I

In the case of every individual or Hindu undivided family or unregistered firm or other association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, not being a case to which Sub-Paragraph II of this Paragraph or any other Paragraph of this Part applies,—

Rates of income-tax

(1) where the total income does not exceed Rs. 15,000	Nil;
(2) where the total income exceeds Rs. 15,000 but does not exceed Rs. 20,000	25 per cent. of the amount by which the total income exceeds Rs. 15,000;
(3) where the total income exceeds Rs. 20,000 but does not exceed Rs. 25,000.	Rs. 1,250 plus 30 per cent. of the amount by which the total income exceeds Rs. 20,000;
(4) where the total income exceeds Rs. 25,000 but does not exceed Rs. 30,000	Rs. 2,750 plus 35 per cent. of the amount by which the total income exceeds Rs. 25,000;
(5) where the total income exceeds Rs. 30,000 but does not exceed Rs. 50,000	Rs. 4,500 plus 40 per cent. of the amount by which the total income exceeds Rs. 30,000;
(6) where the total income exceeds Rs. 50,000 but does not exceed Rs. 60,000	Rs. 12,500 plus 50 per cent. of the amount by which the total income exceeds Rs. 50,000;
(7) where the total income exceeds Rs. 60,000 but does not exceed Rs. 70,000	Rs. 17,500 plus 52.5 per cent. of the amount by which the total income exceeds Rs. 60,000;
(8) where the total income exceeds Rs. 70,000 but does not exceed Rs. 85,000	Rs. 22,750 plus 55 per cent. of the amount by which the total income exceeds Rs. 70,000;
(9) where the total income exceeds Rs. 85,000 but does not exceed Rs. 1,00,000	Rs. 31,000 plus 57.5 per cent. of the amount by which the total income exceeds Rs. 85,000;

(10) where the total income exceeds Rs. 1,00,000	Rs. 39,625 plus 60 per cent. of the amount by which the total income exceeds Rs. 1,00,000,
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Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of twelve and a half per cent. of such income-tax.

Sub-Paragraph II

In the case of every Hindu undivided family which at any time during the previous year has at least one member whose total income of the previous year relevant to the assessment year commencing on the 1st day of April, 1984 exceeds Rs. 15,000,—

Rates of income-tax

(1) where the total income does not exceed Rs. 8,000	Nil;
(2) where the total income exceeds Rs. 8,000 but does not exceed Rs. 15,000	22 per cent. of the amount by which the total income exceeds Rs. 8,000;
(3) where the total income exceeds Rs. 15,000 but does not exceed Rs. 20,000	Rs. 1,540 plus 27 per cent. of the amount by which the total income exceeds Rs. 15,000;
(4) where the total income exceeds Rs. 20,000 but does not exceed Rs. 25,000	Rs. 2,890 plus 35 per cent. of the amount by which the total income exceeds Rs. 20,000;
(5) where the total income exceeds Rs. 25,000 but does not exceed Rs. 30,000	Rs. 4,640 plus 40 per cent. of the amount by which the total income exceeds Rs. 25,000;
(6) where the total income exceeds Rs. 30,000 but does not exceed Rs. 50,000	Rs. 6,640 plus 50 per cent. of the amount by which the total income exceeds Rs. 30,000;
(7) where the total income exceeds Rs. 50,000	Rs. 16,640 plus 60 per cent. of the amount by which the total income exceeds Rs. 50,000;

Provided that for the purposes of this Sub-Paragraph,—

(i) no income-tax shall be payable on a total income not exceeding Rs. 12,000;

(ii) where the total income exceeds Rs. 12,000 but does not exceed Rs. 17,610, the income-tax payable thereon shall not exceed forty per cent. of the amount by which the total income exceeds Rs. 12,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of twelve and a half per cent. of such income-tax.

Paragraph B

In the case of every co-operative society,—

Rates of income-tax

(1) where the total income does not exceed Rs. 10,000	15 per cent. of the total income;
(2) where the total income exceeds Rs. 10,000 but does not exceed Rs. 20,000	Rs. 1,500 plus 25 per cent. of the amount by which the total income exceeds Rs. 10,000;

(3) where the total income exceeds Rs. 20,000 *Rs. 4,000 plus 40 per cent. of the amount by which the total income exceeds Rs. 20,000.*

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of twelve and a half per cent. of such income-tax.

Paragraph C

Sub-Paragraph I

In the case of every registered firm, not being a case to which Sub-Paragraph II of this Paragraph applies,—

Rates of income-tax

(1) where the total income does not exceed Rs. 10,000	Nil;
(2) where the total income exceeds Rs. 10,000 but does not exceed Rs. 25,000	5 per cent. of the amount by which the total income exceeds Rs. 10,000;
(3) where the total income exceeds Rs. 25,000 but does not exceed Rs. 50,000	Rs. 750 plus 7 per cent. of the amount by which the total income exceeds Rs. 25,000;
(4) where the total income exceeds Rs. 50,000 but does not exceed Rs. 1,00,000	Rs. 2,500 plus 15 per cent. of the amount by which the total income exceeds Rs. 50,000;
(5) where the total income exceeds Rs. 1,00,000	Rs. 10,000 plus 24 per cent. of the amount by which the total income exceeds Rs. 1,00,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of twelve and a half per cent. of such income-tax.

Sub-Paragraph II

In the case of every registered firm whose total income includes income derived from a profession carried on by it and the income so included is not less than fifty-one per cent. of such total income,—

Rates of income-tax

(1) where the total income does not exceed Rs. 10,000	<i>Nil</i> ;
(2) where the total income exceeds Rs. 10,000 but does not exceed Rs. 25,000	4 per cent. of the amount by which the total income exceeds Rs. 10,000;
(3) where the total income exceeds Rs. 25,000 but does not exceed Rs. 50,000	Rs. 600 plus 7 per cent. of the amount by which the total income exceeds Rs. 25,000;
(4) where the total income exceeds Rs. 50,000 but does not exceed Rs. 1,00,000	Rs. 2,350 plus 13 per cent. of the amount by which the total income exceeds Rs. 50,000;
(5) where the total income exceeds Rs. 1,00,000	Rs. 8,850 plus 22 per cent. of the amount by which the total income exceeds Rs. 1,00,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of twelve and a half per cent. of such income-tax.

Explanation.—For the purposes of this Paragraph, “registered firm” includes an unregistered firm assessed as a registered firm under clause (b) of section 183 of the Income-tax Act.

Paragraph D

In the case of every local authority,—

Rate of income-tax

On the whole of the total income 50 per cent.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of twelve and a half per cent. of such income-tax.

Paragraph E

In the case of a company,—

Rates of income-tax

I. In the case of a domestic company,—

(1) where the company is a company in which the public are substantially interested 55 per cent. of the total income;

(2) where the company is not a company in which the public are substantially interested—

(i) in the case of an industrial company 60 per cent. of the total income;

(ii) in any other case 65 per cent. of the total income.

II. In the case of a company other than a domestic company,—

(i) on so much of the total income as consists of—

(a) royalties received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st day of March, 1961 but before the 1st day of April, 1976, or

(b) fees for rendering technical services received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the

Indian concern after the 29th day of February, 1964 but before the 1st day of April, 1976,

and where such agreement has, in either case, been approved by the Central Government 50 per cent.;

(ii) on the balance, if any, of the total income 70 per cent.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph shall be increased by a surcharge calculated at the rate of five per cent. of such income-tax.

PART II

Rates for deduction of tax at source in certain cases

In every case in which under the provisions of sections 193, 194, 194A, 194B, 194BB, 194D and 195 of the Income-tax Act, tax is to be deducted at the rates in force, deduction shall be made from the income subject to deduction at the following rates:—

	Income-tax	
	Rate of income-tax	Rate of surcharge
i. In the case of a person other than a company—		
<i>(a) where the person is resident in India—</i>		
(i) on income by way of interest other than "Interest on securities" 10 per cent.] <i>Nil;</i>		
(ii) on income by way of winnings from lotteries and crossword puzzles 30 per cent. 3.75 per cent.;		
(iii) on income by way of winnings from horse races 30 per cent. 3.75 per cent.;		
(iv) on income by way of insurance commission 10 per cent. <i>Nil;</i>		
(v) on income by way of interest payable on (A) any security, other than a tax-free security, of the Central or a State Government; 10 per cent. <i>Nil;</i>		
(B) any debentures or other securities for money issued by or on behalf of any local authority or a corporation established by a Central, State or Provincial Act; 20 per cent. 2.5 per cent.		
(C) any debentures issued by a company where such debentures are listed on a recognised stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956, and any rules made thereunder 20 per cent. 2.5 per cent.		
(vi) on any other income (excluding interest payable on a tax-free security) 20 per cent. 2.5 per cent.		

Income-tax		
	Rate of income-tax	Rate of surcharge
(b) where the person is not resident in India—		
(i) in the case of a non-resident Indian—		
(A) on investment income and long-term capital gains	20 per cent.	2.5 per cent.;
(B) on income by way of interest payable on a tax-free security	15 per cent.	1.875 per cent.;
(C) on the whole of the other income	income-tax at 30 per cent. and surcharge at 3.75 per cent. of the amount of the income, or income-tax and surcharge on income-tax in respect of the income at the rates prescribed in Sub-Paragraph I of Paragraph A of Part III of this Schedule, if such income had been the total income,	
	whichever is higher;	
(ii) in the case of any other person—		
(A) on the whole of the income (excluding interest payable on a tax-free security)	income-tax at 30 per cent. and surcharge at 3.75 per cent. of the amount of income, or income-tax and surcharge on income-tax in respect of the income at the rates prescribed in Sub-Paragraph I of Paragraph A of Part III of this Schedule, if such income had been the total income,	
	whichever is higher;	
(B) on income by way of interest payable on a tax-free security	15 per cent.	1.875 per cent.
2. In the case of a company—		
(a) where the company is a domestic company—		
(i) on income by way of interest other than "Interest on securities"	20 per cent.	1 per cent.;
(ii) on any other income (excluding interest payable on a tax-free security)	21.5 per cent.	1.075 per cent.
(b) where the company is not a domestic company—		
(i) on income by way of dividends payable by any domestic company	25 per cent.	Nil;
(ii) on income by way of interest payable by Government or an Indian concern on moneys borrowed or debt incurred by Government or the Indian concern in foreign currency	[25 per cent.]	Nil;
(iii) on income by way of royalty payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st day of March, 1976, where such royalty is in consideration for the transfer of all or any rights (including the granting of a licence) in respect of copyright in any book or a subject referred to in the proviso to sub-section (x4) of section 115A of the Income-tax Act, to the Indian concern	40 per cent.	Nil;

	Income-tax	
	Rate of income-tax	Rate of surcharge
(iv) on income by way of royalty [not being royalty of the nature referred to in sub-item (b) (iii)] payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and which has been approved by the Central Government,—		
(A) where the agreement is made after the 31st day of March, 1961 but before the 1st day of April, 1976	50 per cent	2.5 per cent.;
(B) where the agreement is made after the 31st day of March, 1976—		
(i) on so much of the amount of such income as consists of lump sum consideration for the transfer outside India of, or the imparting of information outside India in respect of, any data, documentation, drawing or specification relating to any patent, invention, model, design, secret formula or process, or trade mark or similar property	50 per cent.	Nil;
(ii) on the balance, if any, of such income	40 per cent.	Nil;
(v) on income by way of fees for technical services payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and which has been approved by the Central Government—		
(A) where the agreement is made after the 29th day of February, 1964 but before the 1st day of April, 1976	50 per cent.	2.5 per cent.;
(B) where the agreement is made after the 31st day of March, 1976	40 per cent.	Nil;
(vi) on income by way of interest payable on a tax-free security	44 per cent.	2.2 per cent.;
(vii) on any other income	70 per cent.	3.5 per cent.

Explanation.—For the purposes of this Part, “investment income” “long-term capital gains” and “non-resident Indian” shall have the meanings assigned to them in Chapter XII-A of the Income-tax Act.

PART III

Rates for calculating or charging income-tax in certain cases, deducting income-tax from income chargeable under the head “Salaries” or any payment referred to in sub-section (9) of section 80E and computing “advance tax”.

In cases in which income-tax has to be calculated under the first proviso to sub-section (5) of section 132 of the Income-tax Act or charged under sub-section (4) of section 172 or sub-section (2) of section 174 or section 175 or sub-section (2) of section 176 of the said Act or deducted under section 192 of the said Act from income chargeable under the head “Salaries” or deducted under sub-section (9) of section 80E of the said Act from any payment referred to in the said sub-section (9) or in

which the "advance tax" payable under Chapter XVII-C of the said Act has to be computed, at the rate or rates in force, such income-tax or, as the case may be, "advance tax" [not being "advance tax" in respect of any income chargeable to tax under Chapter XII or Chapter XII-A or sub-section (1A) of section 161 or section 164 or section 164A or section 167A of the Income-tax Act at the rates as specified in that Chapter or section], shall be so calculated, charged, deducted or computed at the following rate or rates:—

Paragraph A

Sub-Paragraph I

In the case of every individual or Hindu undivided family or unregistered firm or other association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, not being a case to which Sub-Paragraph II of this Paragraph or any other Paragraph of this Part applies,—

Rates of income-tax

(1) where the total income does not exceed Rs. 15,000	Nil;
(2) where the total income exceeds Rs. 15,000 but does not exceed Rs. 20,000	20 per cent. of the amount by which the total income exceeds Rs. 15,000;
(3) where the total income exceeds Rs. 20,000 but does not exceed Rs. 25,000	Rs. 1,000 plus 25 per cent. of the amount by which the total income exceeds Rs. 20,000;
(4) where the total income exceeds Rs. 25,000 but does not exceed Rs. 30,000	Rs. 2,250 plus 30 per cent. of the amount by which the total income exceeds Rs. 25,000;
(5) where the total income exceeds Rs. 30,000 but does not exceed Rs. 40,000	Rs. 3,750 plus 35 per cent. of the amount by which the total income exceeds Rs. 30,000;
(6) where the total income exceeds Rs. 40,000 but does not exceed Rs. 50,000	Rs. 7,250 plus 40 per cent. of the amount by which the total income exceeds Rs. 40,000;
(7) where the total income exceeds Rs. 50,000 but does not exceed Rs. 70,000	Rs. 11,250 plus 45 per cent. of the amount by which the total income exceeds Rs. 50,000;
(8) where the total income exceeds Rs. 70,000 but does not exceed Rs. 1,00,000	Rs. 20,250 plus 50 per cent. of the amount by which the total income exceeds Rs. 70,000;
(9) where the total income exceeds Rs. 1,00,000	Rs. 35,250 plus 55 per cent. of the amount by which the total income exceeds Rs. 1,00,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of twelve and a half per cent. of such income-tax.

Sub-Paragraph II

In the case of every Hindu undivided family which at any time during the previous year has at least one members whose total income of the

previous year relevant to the assessment year commencing on the 1st day of April, 1985 exceeds Rs. 15,000,—

Rates of income-tax

(1) where the total income does not exceed Rs. 8,000	Nil;
(2) where the total income exceeds Rs. 8,000 but does not exceed Rs. 15,000	22 per cent. of the amount by which the total income exceeds Rs. 8,000;
(3) where the total income exceeds Rs. 15,000 but does not exceed Rs. 20,000	Rs. 1,540 plus 27 per cent. of the amount by which the total income exceeds Rs. 15,000;
(4) where the total income exceeds Rs. 20,000 but does not exceed Rs. 25,000	Rs. 2,890 plus 35 per cent. of the amount by which the total income exceeds Rs. 20,000;
(5) where the total income exceeds Rs. 25,000 but does not exceed Rs. 30,000	Rs. 4,640 plus 40 per cent. of the amount by which the total income exceeds Rs. 25,000;
(6) where the total income exceeds Rs. 30,000 but does not exceed Rs. 50,000	Rs. 6,640 plus 50 per cent. of the amount by which the total income exceeds Rs. 30,000;
(7) where the total income exceeds Rs. 50,000	Rs. 16,640 plus 60 per cent. of the amount by which the total income exceeds Rs. 50,000;

Provided that for the purposes of this Sub-Paragraph,—

- (i) no income-tax shall be payable on a total income not exceeding Rs. 12,000;
- (ii) where the total income exceeds Rs. 12,000 but does not exceed Rs. 17,610, the income-tax payable thereon shall not exceed forty per cent. of the amount by which the total income exceeds Rs. 12,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of twelve and a half per cent. of such income-tax.

Paragraph B

In the case of every co-operative society,—

Rates of income-tax

(1) where the total income does not exceed Rs. 10,000	15 per cent. of the total income;
(2) where the total income exceeds Rs. 10,000 but does not exceed Rs. 20,000	Rs. 1,500 plus 25 per cent. of the amount by which the total income exceeds Rs. 10,000;
(3) where the total income exceeds Rs. 20,000	Rs. 4,000 plus 40 per cent. of the amount by which the total income exceeds Rs. 20,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph shall be increased by a surcharge for

purposes of the Union calculated at the rate of twelve and a half per cent. of such income-tax.

Paragraph C

Sub-Paragraph I

In the case of every registered firm, not being a case to which Sub-Paragraph II of this Paragraph applies,—

Rates of income-tax

(1) where the total income does not exceed Rs. 10,000	Nil;
(2) where the total income exceeds Rs. 10,000 but does not exceed Rs. 25,000	5 per cent. of the amount by which the total income exceeds Rs. 10,000;
(3) where the total income exceeds Rs. 25,000 but does not exceed Rs. 50,000	Rs. 750 plus 7 per cent. of the amount by which the total income exceeds Rs. 25,000;
(4) where the total income exceeds Rs. 50,000 but does not exceed Rs. 1,00,000	Rs. 2,500 plus 15 per cent. of the amount by which the total income exceeds Rs. 50,000;
(5) where the total income exceeds Rs. 1,00,000	Rs. 10,000 plus 24 per cent. of the amount by which the total income exceeds Rs. 1,00,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of twelve and a half per cent. of such income-tax.

Sub-Paragraph II

In the case of every registered firm whose total income includes income derived from a profession carried on by it and the income so included is not less than fifty-one per cent. of such total income, —

Rates of income-tax

(1) where the total income does not exceed of Rs. 10,000	Nil;
(2) where the total income exceeds Rs. 10,000 but does not exceed Rs. 25,000	4 per cent. of the amount by which the total income exceeds Rs. 10,000;
(3) where the total income exceeds Rs. 25,000 but does not exceed Rs. 50,000	Rs. 600 plus 7 per cent. of the amount by which the total income exceeds Rs. 25,000;
(4) where the total income exceeds Rs. 50,000 but does not exceed Rs. 1,00,000	Rs. 2,350 plus 13 per cent. of the amount by which the total income exceeds Rs. 50,000;
(5) where the total income exceeds Rs. 1,00,000	Rs. 8,850 plus 22 per cent. of the amount by which the total income exceeds Rs. 1,00,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Sub-Paragraph shall be increased by a surcharge for

purposes of the Union calculated at the rate of twelve and a half per cent. of such income-tax.

Explanation.—For the purposes of this Paragraph, “registered firm” includes an unregistered firm assessed as a registered firm under clause (b) of section 183 of the Income-tax Act.

Paragraph D

In the case of every local authority,—

Rate of income-tax

On the whole of the total income 50 per cent.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of twelve and a half per cent. of such income-tax.

Paragraph E

In the case of a company,—

Rates of income-tax

I. In the case of a domestic company,—

(1) where the company is a company in which the public are substantially interested 55 per cent. of the total income;

(2) where the company is not a company in which the public are substantially interested—

(i) in the case of an industrial company 60 per cent. of the total income;

(ii) in any other case 65 per cent. of the total income.

II. In the case of a company other than a domestic company,—

(i) on so much of the total income as consists of—

(a) royalties received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st day of March, 1961 but before the 1st day of April, 1976, or

(b) fees for rendering technical services received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 29th day of February, 1964 but

before the 1st day of April,
1976,

and where such agreement has, in either case, been approved by the Central Government

(ii) on the balance, if any, 70 per cent. of the total income

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph shall be increased by a surcharge calculated at the rate of five per cent. of such income-tax.

PART IV

[See section 2(8) (e)]

RULES FOR COMPUTATION OF NET AGRICULTURAL INCOME

Rule 1.—Agricultural income of the nature referred to in sub-clause (a) of clause (1) of section 2 of the Income-tax Act shall be computed as if it were income chargeable to income-tax under that Act under the head “Income from other sources” and the provisions of sections 57 to 59 of that Act shall, so far as may be, apply accordingly:

Provided that sub-section (2) of section 58 shall apply subject to the modification that the reference to section 40A therein shall be construed as not including a reference to sub-sections (3) and (4) of section 40A.

Rule 2.—Agricultural income of the nature referred to in sub-clause (b) or sub-clause (c) of clause (1) of section 2 of the Income-tax Act [other than income derived from any building required as a dwelling house by the receiver of the rent or revenue or the cultivator or the receiver of rent-in-kind referred to in the said sub-clause (c)] shall be computed as if it were income chargeable to income-tax under that Act under the head “Profits and gains of business or profession” and the provisions of sections 30, 31, 32, 34, 36, 37, 38, 40, 40A [other than sub-sections (3) and (4) thereof], 41, 43 and 43A of the Income-tax Act shall, so far as may be, apply accordingly.

Rule 3.—Agricultural income of the nature referred to in sub-clause (c) of clause (1) of section 2 of the Income-tax Act, being income derived from any building required as a dwelling house by the receiver of the rent or revenue or the cultivator or the receiver of rent-in-kind referred to in the said sub-clause (c) shall be computed as if it were income chargeable to income-tax under that Act under the head “Income from house property” and the provisions of sections 23 to 27 of that Act shall, so far as may be, apply accordingly:

Provided that sub-section (2) of the said section 23 shall apply subject to the modifications that the references to “total income” therein shall be construed as references to net agricultural income and that the words, figures and letter “and before making any deduction under Chapter VIA” shall be omitted.

Rule 4.—Notwithstanding anything contained in any other provisions of these rules, in a case where the assessee derives income from sale of tea grown and manufactured by him in India, such income shall be computed in accordance with rule 8 of the Income-tax Rules, 1962, and sixty per cent. of such income shall be regarded as the agricultural income of the assessee.

Rule 5.—Where the assessee is a partner of a registered firm or an unregistered firm assessed as a registered firm under clause (b) of section 183 of the Income-tax Act, which in the previous year has any agricultural income, or is a partner of an unregistered firm which has not been assessed as a registered firm under clause (b) of the said section 183 and which in the previous year has either no income chargeable to tax under the Income-tax Act or has total income not exceeding the maximum amount not chargeable to tax in the case of an unregistered firm but has any agricultural income, then, the agricultural income or loss of the firm shall be computed in accordance with these rules and his share in the agricultural income or loss of the firm shall be computed in the manner laid down in sub-section (1), sub-section (2) and sub-section (3) of section 67 of the Income-tax Act and the share so computed shall be regarded as the agricultural income or loss of the assessee.

Rule 6.—Where the assessee is a member of an association of persons or a body of individuals (other than a Hindu undivided family, a company or a firm) which in the previous year has either no income chargeable to tax under the Income-tax Act or has total income not exceeding the maximum amount not chargeable to tax in the case of an association of persons or a body of individuals (other than a Hindu undivided family, a company or a firm) but has any agricultural income, then, the agricultural income or loss of the association or body shall be computed in accordance with these rules and the share of the assessee in the agricultural income or loss so computed shall be regarded as the agricultural income or loss of the assessee.

Rule 7.—Where the result of the computation for the previous year in respect of any source of agricultural income is a loss, such loss shall be set off against the income of the assessee, if any, for that previous year from any other source of agricultural income:

Provided that where the assessee is a partner of an unregistered firm which has not been assessed as a registered firm under clause (b) of section 183 of the Income-tax Act or is a member of an association of persons or a body of individuals and the share of the assessee in the agricultural income of the firm, association or body, as the case may be, is a loss, such loss shall not be set off against any income of the assessee from any other source of agricultural income.

Rule 8.—Any sum payable by the assessee on account of any tax levied by the State Government on the agricultural income shall be deducted in computing the agricultural income.

Rule 9.—(1) Where the assessee has, in the previous year relevant to the assessment year commencing on the 1st day of April, 1984, any

agricultural income and the net result of the computation of the agricultural income of the assessee for any one or more of the previous years relevant to the assessment years commencing on the 1st day of April, 1976 or the 1st day of April, 1977 or the 1st day of April, 1978 or the 1st day of April, 1979 or the 1st day of April, 1980 or the 1st day of April, 1981 or the 1st day of April, 1982 or the 1st day of April, 1983, is a loss, then, for the purposes of sub-section (2) of section 2 of this Act,—

- (i) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1976, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1977 or the 1st day of April, 1978 or the 1st day of April, 1979 or the 1st day of April, 1980 or the 1st day of April, 1981 or the 1st day of April, 1982 or the 1st day of April, 1983,
- (ii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1977, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1978 or the 1st day of April, 1979 or the 1st day of April, 1980 or the 1st day of April, 1981 or the 1st day of April, 1982 or the 1st day of April, 1983,
- (iii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1978, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1979 or the 1st day of April, 1980 or the 1st day of April, 1981 or the 1st day of April, 1982 or the 1st day of April, 1983,
- (iv) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1979, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1980 or the 1st day of April, 1981 or the 1st day of April, 1982 or the 1st day of April, 1983,
- (v) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1980, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1981 or the 1st day of April, 1982 or the 1st day of April, 1983,
- (vi) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1981, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1982 or the 1st day of April, 1983,
- (vii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1982, to the extent, if any, such loss has not been set off against the agricultural

income for the previous year relevant to the assessment year commencing on the 1st day of April, 1983, and

(viii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1983,

shall be set off against the agricultural income of the assessee for the previous year relevant to the assessment year commencing on the 1st day of April, 1984.

(2) Where the assessee has, in the previous year relevant to the assessment year commencing on the 1st day of April, 1985 or, if by virtue of any provision of the Income-tax Act, income-tax is to be charged in respect of the income of a period other than that previous year, in such other period, any agricultural income and the net result of the computation of the agricultural income of the assessee for any one or more of the previous years relevant to the assessment years commencing on the 1st day of April, 1977 or the 1st day of April, 1978 or the 1st day of April, 1979 or the 1st day of April, 1980 or the 1st day of April, 1981 or the 1st day of April, 1982 or the 1st day of April, 1983 or the 1st day of April, 1984, is a loss, then, for the purposes of sub-section (6) of section 2 of this Act,—

(i) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1977, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1978 or the 1st day of April, 1979 or the 1st day of April, 1980 or the 1st day of April, 1981 or the 1st day of April, 1982 or the 1st day of April, 1983 or the 1st day of April, 1984,

(ii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1978, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1979 or the 1st day of April, 1980 or the 1st day of April, 1981 or the 1st day of April, 1982 or the 1st day of April, 1983 or the 1st day of April, 1984,

(iii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1979, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1980 or the 1st day of April, 1981 or the 1st day of April, 1982 or the 1st day of April, 1983 or the 1st day of April, 1984,

(iv) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1980, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1981 or the 1st day of April, 1982 or the 1st day of April, 1983 or the 1st day of April, 1984,

(v) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1981, to the

extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1982 or the 1st day of April, 1983 or the 1st day of April, 1984,

(vi) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1982, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1983 or the 1st day of April, 1984,

(vii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1983, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 1984, and

(viii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 1984,

shall be set off against the agricultural income of the assessee for the previous year relevant to the assessment year commencing on the 1st day of April, 1985 or the period aforesaid.

(3) Where a change has occurred in the constitution of a firm, nothing in sub-rule (1) or sub-rule (2) shall entitle the firm to set off so much of the loss proportionate to the share of a retired or deceased partner computed in the manner laid down in sub-section (1), sub-section (2) and sub-section (3) of section 67 of the Income-tax Act as exceeds his share of profits, if any, of the previous year in the firm, or entitle any partner to the benefit of any portion of the said loss (computed in the manner aforesaid) which is not apportionable to him.

(4) Where any person deriving any agricultural income from any source has been succeeded in such capacity by another person, otherwise than by inheritance, nothing in sub-rule (1) or sub-rule (2) shall entitle any person, other than the person incurring the loss, to have it set off under sub-rule (1) or, as the case may be, sub-rule (2).

(5) Notwithstanding anything contained in this rule, no loss which has not been determined by the Income-tax Officer under the provisions of these rules or the rules contained in Part IV of the First Schedule to the Finance Act, 1976, or of the First Schedule to the Finance (No. 2) Act, 1977, or of the Schedule to the Finance Act, 1978, or of the First Schedule to the Finance Act, 1979, or of the First Schedule to the Finance (No. 2) Act, 1980, or of the First Schedule to the Finance Act, 1981, or of the First Schedule to the Finance Act, 1982, or of the First Schedule to the Finance Act, 1983, shall be set off under sub-rule (1) or, as the case may be, sub-rule (2).

66 of 1976.
29 of 1977.
19 of 1978.
21 of 1979.
44 of 1980.
16 of 1981.
14 of 1982.
11 of 1983.

Rule 10.—Where the net result of the computation made in accordance with these rules is a loss, the loss so computed shall be ignored and the net agricultural income shall be deemed to be *nil*.

Rule 11.—The provisions of the Income-tax Act relating to procedure for assessment (including the provisions of section 288A relating to rounding off of income) shall, with the necessary modifications, apply in relation to the computation of the net agricultural income of the assessee as they apply in relation to the assessment of the total income.

Rule 12.—For the purposes of computing the net agricultural income of the assessee, the Income-tax Officer shall have the same powers as he has under the Income-tax Act for the purposes of assessment of the total income.

THE SECOND SCHEDULE

(See section 35)

PART I

In the First Schedule to the Customs Tariff Act,—

- (i) in Heading No. 26.02/04, for the entry in column (3), the entry "100%" shall be substituted;
- (ii) in sub-heading No. (1) of Heading No. 27.10, for the entry in column (3), the entry "100%" shall be substituted;
- (iii) in Heading No. 27.12/13, for the entry in column (3), the entry "100%" shall be substituted;
- (iv) in sub-heading No. (2) of Heading No. 53.01/05, for the entry in column (3), the entry "100% plus Rs. 10 per kilogram" shall be substituted;
- (v) in Heading No. 98.01/02, for the entry in column (3), the entry "200%" shall be substituted.

PART II

Heading No.	Sub-heading No. and description of article	Rate of duty		Duration when rates of duty are protective
		Standard	Preferential Areas	
(1)	(2)	(3)	(4)	(5)

In the First Schedule to the Customs Tariff Act, for Heading No. 92.01/13, the following Heading shall be substituted, namely:—

92.01/13	Musical instruments; instruments and appliances for recording or reproducing sound or both; television image and sound recorders or reproducers; decoy calls and mouth-blown sound-signalling instruments; parts and accessories of the above articles; prepared media for sound or similar recording; sound-recorded or similar media	100%
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THE THIRD SCHEDULE

[See section 51(a)]

PART I

In the First Schedule to the Central Excises Act,—

- (i) Item No. 1F shall be omitted;
- (ii) Item No. 11B shall be omitted;
- (iii) Item No. 22D shall be omitted;
- (iv) Item No. 23D shall be omitted;
- (v) Item No. 24 shall be omitted.

PART II

Item No.	Description of goods	Rate of duty
(1)	(2)	(3)

In the First Schedule to the Central Excises Act,—

(i) in Item No. 4, under "II. Manufactured tobacco—", for sub-item

(5), the following sub-item shall be substituted, namely:—

(5) Chewing tobacco, including preparations commonly known as "*Khara Masala*", "*Kimam*", "*Dokta*", "*Zarda*", "*Sukha*" and "*Surti*" Thirty per cent.
ad valorem.

(ii) for Item No. 16, the following Item shall be substituted, namely:—

16. TYRES—

"Tyre" means a pneumatic tyre in the manufacture of which rubber is used, and includes the inner tube, the tyre flap and the outer cover of such a tyre:

I. (1) Tyres for motor vehicles—

(a) Tyres for two-wheeled motor vehicles, namely, scooters, motor cycles, mopeds and auto-cycles—

(i) tyres Fifty rupees per tyre.

(ii) tubes Twenty-five per cent,
ad valorem.

(b) Others—

(i) tyres One thousand and
five hundred rupees
per tyre.

(ii) tubes and flaps Sixty per cent.
ad valorem.

(a) Tyres for tractors, including agricultural tractors—

(a) tyres Five hundred rupees
per tyre.

(b) tubes and flaps Twenty-five
per cent,
ad valorem.

(3) Tyres for trailers,

(a) of sizes, namely,
7.50—16 and 9.00—16—

(i) tyres Five hundred rupees
per tyre.

(ii) tubes and flaps Twenty-five percent,
ad valorem.

Item No.	Description of goods	Rate of duty
(1)	(2)	(3)
(b) Others—		
(i) tyres		One thousand and five hundred rupees per tyre.
(ii) tubes and flaps		Sixty per cent. <i>ad valorem</i> .
II. Tyres for cycles and cycle rickshaws—		
(1) tyres		Sixty paise per tyre or fifteen per cent. <i>ad valorem</i> , whichever is higher.
(2) tubes		Thirty paise per tube or fifteen per cent. <i>ad valorem</i> , whichever is higher.
III. Tyres for vehicles or equipments designed for use off the road		
IV. All other tyres		

Explanation I.—“Motor vehicles” means all mechanically propelled vehicles, other than tractors, designed for use upon roads.

Explanation II.—“Motor vehicles”, “tractors, including agricultural tractors” and “trailers” shall include a chassis; but shall not include a vehicle running upon fixed rails.”;

(iii) in Item No. 59, for sub-Items (1) and (2), the following sub-Items shall be substituted, namely:—

“(1) Magnetic tapes of width not exceeding 6·5 millimetres for sound recording, whether in spools or in reels or in any other form or packing, *ad valorem*, but excluding cassette tapes.

(2) Sound recorded magnetic tapes of width not exceeding 6·5 millimetres, whether in spools or in reels or in any other form or packing, but excluding sound recorded cassette tapes.

THE FOURTH SCHEDULE

[See section 51 (b)]

Item No.	Description of goods	Rate of duty
(1)	(2)	(3)

In the First Schedule to the Central Excises Act,—

(f) for Item No. 26A, the following Item shall be substituted, namely:—

26A. COPPER AND PRODUCTS THEREOF—

“Copper” shall include any alloy in which copper predominates by weight over each of the other metals.

(1) Unwrought copper in any form (refined or not, including blister copper and cement copper), including ingots, notched bars, wire bars, blocks, slabs, billets, shots, pellets, cathodes and cakes. Five thousand and six hundred rupees per metric tonne

Item No.	Description of goods	Rate of duty
(1)	(2)	(3)
<i>Explanation.</i> —This sub-Item includes wire bars and billets with their ends tapered or otherwise worked simply to facilitate their entry into machines for converting them into, for example, wire rods or tubes.		
(2a) Waste and scrap of copper.		Five thousand and six hundred rupees per metric tonne.
(2b) Wrought bars, rods (including wire rods), angles, shapes and sections, of copper.—		
(i) Wrought bars and rods (including wire rods) of copper.		Five thousand and six hundred rupees per metric tonne.
(ii) Wrought angles, shapes and sections of copper.		Six thousand and three hundred rupees per metric tonne.
(4) Castings, not otherwise specified.		Five thousand and six hundred rupees per metric tonne.
(5) Copper wire.		Twenty per cent. <i>ad valorem</i> .
(6) Wrought plates, sheets, blanks (including circles) and strips of copper.		Six thousand and three hundred rupees per metric tonne.
(7) Copper foil.		Six thousand and three hundred rupees per metric tonne.
(8) Copper powders (excluding coagulated copper) and flakes.		Twenty per cent. <i>ad valorem</i> .
(9) Pipes and tubes of copper.		Twenty-eight per cent. <i>ad valorem</i> .
(10) Shells and blanks for pipes and tubes; hollow sections of copper.		Twenty-eight per cent. <i>ad valorem</i> .

Explanation.—In this Item,—

(i) "waste and scrap" means waste and scrap metal fit only for the recovery of metal by remelting or for use in the manufacture of chemicals, but does not include slag, dross, scalings, ash and other cuprous residues;

(ii) "wrought bars and rods (including wire rods)" means

(a) any extruded, rolled, drawn or forged products of solid section, of which the width or the maximum cross-sectional dimension exceeds 6 millimetres and which, if they are flat, have a thickness exceeding one-tenth of the width; or

(b) any cast or sintered products, of the same forms and dimensions, which have been subsequently worked after production (otherwise than by simple trimming or de-scaling, provided that they have not thereby assumed the character of any article or product falling under any other Item);

Item No.	Description of goods	Rate of duty
(1)	(2)	(3)
(iii) "wrought angles, shapes and sections" means		
(a) any extruded, rolled, drawn or forged products of solid section (other than round, rectangular, square and hexagonal), of which the width or the maximum cross-sectional dimension exceeds 6 millimetres and which, if they are flat, have a thickness exceeding one-tenth of the width; or		
(b) any cast or sintered products, of the same forms and dimensions, which have been subsequently worked after production (otherwise than by simple trimming or de-scaling), provided that they have not thereby assumed the character of any article or product falling under any other Item;		
(iv) "wire" means any rolled, extruded or drawn product of solid and uniform cross-section, of which no cross-sectional dimension exceeds 6 millimetres, but does not include electric wires and cables, falling under Item No. 33B;		
(v) "plate" means a flat product whose thickness exceeds 10 millimetres and the width exceeds 300 millimetres;		
(vi) "sheet" means a flat product, cut to length, whose thickness exceeds 0.15 millimetre but does not exceed 10 millimetres, and the width exceeds 300 millimetres;		
(vii) "strip" means a flat product whose thickness exceeds 0.15 millimetre but does not exceed 10 millimetres, of any width and generally not cut to length and usually in coil;		
(viii) "foil" means a flat product of thickness (excluding any backing) not exceeding 0.15 millimetre, of any width, generally not cut to length and usually in coil, whether or not embossed, cut to shape, perforated, coated, printed or backed with paper or other reinforcing material;		
(ix) "powders and flakes" means all types of powders and flakes, but does not include cement copper and powders and flakes prepared as colours, pigments, paints or the like;		
(x) "pipes and tubes" means a hollow product of uniform cross-section and wall thickness having a continuous periphery produced by drawing, casting or extrusion process;		
(xi) "shells and blanks" means a hollow cylinder produced by extrusion, rotary piercing or casting for subsequent drawing into pipe or tube;		
(xii) "hollow section" means a section which is normally extruded, drawn or cast, the cross-section of which completely encloses a void or voids.;		
(ii) for Item No. 26B, the following Item shall be substituted, namely:—		
"26B. ZINC AND PRODUCTS THEREOF—		
"Zinc" shall include any alloy in which zinc predominates by weight over each of the other metals.		
(1) Unwrought zinc in any form including blocks, plates, ingots, cakes, bars, billets, hard or soft slabs, cathodes, anodes, pellets, speck and broken zinc.		
Three thousand two hundred and seventy-five rupees per metric tonne.		
(2) Waste and scrap of zinc.		
Three thousand two hundred and seventy-five rupees per metric tonne.		

Item No.	Description of goods	Rate of duty
(1)	(2)	(3)
	(3) Wrought bars, rods (including wire rods), angles, shapes and sections of zinc; zinc wire.	
	(i) Wrought bars and rods (including wire rods) of zinc.	Three thousand two hundred and seventy-five rupees per metric tonne.
	(ii) Wrought angles, shapes and sections of zinc and zinc wire.	Three thousand eight hundred rupees per metric tonne.
	(4) Wrought plates, sheets, blanks (including circles, but excluding calots) and strips of zinc; zinc foil.	Three thousand eight hundred rupees per metric tonne.
	<i>Explanation.</i> —In this sub-Item, "blank" means a piece of plate, sheet or strip in any shape, including a circle, prepared for subsequent fabrication.	
	(5) Zinc calots.	Four thousand seven hundred and fifty rupees per metric tonne.
	(6) Zinc powders and flakes.	Twenty per cent. <i>ad valorem.</i>
	(7) Pipes and tubes of zinc.	Forty-five per cent. <i>ad valorem.</i>
	(8) Shells and blanks for pipes and tubes; hollow sections of zinc.	Forty-five per cent. <i>ad valorem.</i>

Explanation.—In this Item,—

(i) "waste and scrap" means waste and scrap metal fit only for the recovery of metal by remelting or for use in the manufacture of chemicals, and includes dross and ash;

(ii) "wrought bars and rods (including wire rods)" means

(a) any extruded, rolled, drawn or forged products of solid section, of which the width or the maximum cross-sectional dimension exceeds 6 millimetres and which, if they are flat, have a thickness exceeding one-tenth of the width; or

(b) any cast or sintered products, of the same forms and dimensions, which have been subsequently worked after production (otherwise than by simple trimming or de-scaling), provided that they have not thereby assumed the character of any article or product falling under any other Item;

(iii) "wrought angles, shapes and sections" means

(a) any extruded, rolled, drawn or forged products of solid section (other than round, rectangular, square and hexagonal), of which the width or the maximum cross-sectional dimension exceeds 6 millimetres and which, if they are flat, have a thickness exceeding one-tenth of the width; or

(b) any cast or sintered products, of the same forms and dimensions, which have been subsequently worked after production (otherwise than by simple trimming or de-scaling), provided that they have not thereby assumed the character of any article or product falling under any other Item;

(iv) "wire" means any rolled, extruded or drawn product of solid and uniform cross-section, of which no cross-sectional dimension exceeds 6 millimetres;

Item No.	Description of goods	Rate of duty
(1)	(2)	(3)
<p>(v) "plate" means a flat product cut to length, whose thickness exceeds 10 millimetres and width exceeds 500 millimetres;</p>		
<p>(vi) "sheet" means a flat product whose thickness exceeds 0.15 millimetre but does not exceed 10 millimetres, and width exceeds 500 millimetres;</p>		
<p>(vii) "strip" means a flat product, generally not cut to length, whose thickness exceeds 0.15 millimetre but does not exceed 10 millimetres, and width does not exceed 500 millimetres;</p>		
<p>(viii) "foil" means a flat product whose thickness (excluding any backing) not exceeding 0.15 millimetre, whether or not embossed, cut to shape, perforated, coated, printed or backed with paper or other reinforcing material;</p>		
<p>(ix) "powders and flakes" means all types of powders and flakes, including dust, but excluding powders and flakes prepared as colours, pigments, paints or the like;</p>		
<p>(x) "pipes and tubes" means a hollow product of uniform cross-section having a continuous periphery produced by drawing, casting or extrusion process;</p>		
<p>(xi) "hollow-section" means a section which is normally extruded, drawn or cast and the cross-section of which completely encloses a void or voids.;</p>		
<p>(iii) for Item No. 27, the following Item shall be substituted, namely :—</p>		
<p>27. ALUMINIUM AND PRODUCTS THEREOF—</p>		
<p>"Aluminium" shall include any alloy in which aluminium predominates by weight over each of the other metals.</p>		
(1)	Unwrought aluminium in any form including ingots, pigs, blocks, billets, slabs, notched bars, wire bars, shots and pellets.	Fifty per cent. <i>ad valorem plus</i> four thousand rupees per metric tonne.
(2)	Waste and scrap of aluminium.	Fifty per cent. <i>ad valorem plus</i> four thousand rupees per metric tonne.
(3)	Wrought bars, rods (including wire rods), angles, shapes and sections of aluminium.	Fifty per cent. <i>ad valorem plus</i> four thousand rupees per metric tonne.
(4)	Castings, not otherwise specified.	Fifty per cent. <i>ad valorem plus</i> four thousand rupees per metric tonne.
(5)	Aluminium wire.	Fifty per cent. <i>ad valorem plus</i> four thousand rupees per metric tonne.
(6)	Wrought plates, sheets, blanks (including circles) and strips of aluminium.	Fifty per cent. <i>ad valorem plus</i> four thousand rupees per metric tonne.

Item No.	Description of goods	Rate of duty
(1)	(2)	(3)
<i>Explanation.</i> —In this sub-Item, "blank" means a piece of plate, sheet or strip in any shape, including a circle, prepared for subsequent fabrication.		
7)	Aluminium foil.	Fifty per cent. <i>ad valorem plus</i> four thousand rupees per metric tonne.
(8)	Aluminium powders and flakes.	Fifty per cent. <i>ad valorem plus</i> four thousand rupees per metric tonne.
<i>Explanation.</i> —This sub-Item includes aluminium powders mixed with other base metal powders, but does not include powders or flakes, prepared as pigment paste, colours, paints or the like.		
(9)	Pipes and tubes of aluminium.	Fifty per cent. <i>ad valorem plus</i> four thousand rupees per metric tonne.
(10)	Shells and blanks for pipes and tubes; hollow sections of aluminium.	Fifty per cent. <i>ad valorem plus</i> four thousand rupees per metric tonne.
(11)	Containers, plain, lacquered or printed or lacquered and printed.	Fifty per cent. <i>ad valorem plus</i> four thousand rupees per metric tonne.

Explanation.—In this Item,—

(i) "waste and scrap" means waste and scrap metal fit only for the recovery of metal by remelting or for use in the manufacture of chemicals, but does not include sludge, dross, scalings, skimmings, ash and other residues;

(ii) "wrought bars, rods (including wire rods)" means

(a) any extruded, rolled, drawn or forged products of solid section, of which the width or the maximum cross-sectional dimension exceeds 6 millimetres and which, if they are flat, have a thickness exceeding one-tenth of the width; or

(b) any cast or sintered products, of the same forms and dimensions which have been subsequently worked after production (otherwise than by simple trimming or de-scaling), provided that they have not thereby assumed the character of any article or product falling under any other Item;

(iii) "wrought angles, shapes and sections" means

(a) any extruded, rolled, drawn or forged products of solid section (other than round, rectangular, square and hexagonal), of which the width or the maximum cross-sectional dimension exceeds 6 millimetres and which, if they are flat, have a thickness exceeding one-tenth of the width; or

(b) any cast or sintered products, of the same forms and dimensions, which have been subsequently worked after production (otherwise than by simple trimming or de-scaling), provided that they have not thereby assumed the character of any article or product falling under any other Item;

Item No.	Description of goods	Rate of duty
(1)	(2)	(3)
<p>(iv) "wire" means rolled, extruded or drawn product, of solid and uniform cross-section, of which no cross-sectional dimension exceeds 6 millimetres, but does not include electric wires and cables falling under Item No. 33B;</p>		
<p>(v) "plate" means a flat product of rectangular section, generally cut to length, whose thickness is 6 millimetres and above;</p>		
<p>(vi) "sheet" means a flat product of rectangular section, generally cut to length, whose thickness exceeds 0.15 millimetre but is below 6 millimetres;</p>		
<p>(vii) "strip" means a product of rectangular section, supplied in coil or flat form, of thickness exceeding 0.15 millimetre but below 6 millimetres, with length more than eight times the width;</p>		
<p>(viii) "foil" means a flat product of rectangular section, of thickness (excluding any backing) not exceeding 0.15 millimetre, whether or not embossed, cut to shape, perforated, coated, printed or backed with paper or other reinforcing material;</p>		
<p>(ix) "pipes and tubes" means a hollow product of uniform cross-section having a continuous periphery produced by drawing, casting, extrusion or welding process;</p>		
<p>(x) "hollow section" means a section which is normally extruded, drawn or cast and the cross-section of which completely encloses a void or voids;</p>		
<p>(xi) "container" means containers ordinarily intended for packaging of goods for sale, including collapsible tubes, casks, drums, cans, boxes, gas cylinders and pressure containers, whether in assembled or unassembled condition and containers known commercially as flattened or folded containers.;</p>		
<p>(iv) for Item No. 27A, the following Item shall be substituted, namely:—</p>		
<p>27A. LEAD AND PRODUCTS THEREOF—</p>		
<p>"Lead" shall include any alloy in which lead predominates by weight over each of the other metals.</p>		
<p>(1) <i>Unwrought lead (including argentiferous lead), including ingots, pigs, blocks, anodes, slabs, cakes and cast sticks.</i></p>		
<p>Eight hundred and forty rupees per metric tonne.</p>		
<p>(2) <i>Waste and scrap of lead.</i></p>		
<p>Eight hundred and forty rupees per metric tonne.</p>		
<p><i>Explanation.—In this sub-Item, "waste and scrap" means waste and scrap metal fit only for the recovery of metal by remelting or for use in the manufacture of chemicals, but does not include slag, ash and other residues.</i></p>		
<p>(3) <i>Pipes and tubes of lead.</i></p>		
<p>Twenty per cent. <i>ad valorem</i></p>		
<p>(4) <i>Shells and blanks for pipes and tubes.</i></p>		
<p>Twenty per cent. <i>ad valorem</i>.</p>		
<p>(5) <i>Wrought lead in the form of bars, rods, angles, sections, shapes, wires, plates, sheets, circles, strip and foils.</i></p>		
<p>One thousand Rupees per metric tonne.</p>		

THE FIFTH SCHEDULE

(See section 53)

Item No. in the First Schedule to the Central Excises and Salt Act, 1944	Description of goods	Rate of duty
(1)	(2)	(3)

In the First Schedule to the Additional Duties of Excise Act,--

(i) in Item No. 4, under "II. Manufactured tobacco",--

(a) for the entry in the third column against sub-Item (a), the entry "Two hundred and sixty rupees per thousand or one hundred and seventy-five per cent. *ad valorem plus* twelve rupees per thousand, whichever is higher." shall be substituted;

(b) for sub-Item (5), the following sub-Item shall be substituted, namely:--

"(5) Chewing tobacco, including preparations commonly known as "Khara Masala", "Kimam", "Dokta", "Zarda", "Sukha" and "Surti" Ten per cent, *ad valorem.*";

(ii) in Item No. 22, for each of the entries in the third column against sub-Items (i)(a) and (i)(b), the entry "Ten per cent. *ad valorem plus* rupees two per square metre." shall be substituted.

R. V. S. PERI SASTRI,
Secy. to the Govt. of India.

